

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Appl. No. : 10/823,829  
Applicant : Evans et al.  
Filed : April 14, 2004  
Art Unit : 3714  
Examiner : Aileen Chyn

Confirmation No. 5642

Docket No. : CHORUS-P007-01  
Customer No. : 27268

**DECLARATION OF DAVID T. PFENNINGER**

I, David T. Pfenninger, formerly owner and Chief Executive Officer of Performance Assessment Network (PAN), located at 11590 N. Meridian Street, Suite 200; Carmel, IN 46032, declare as follows:

1. I had been employed by PAN since April, 2000 as Chief Executive Officer. I became familiar with Chorus, Inc. when Chorus, Inc. approached PAN to develop the electronic platform from which it would offer its Hallmarks of Leadership service. I have no financial interest in Chorus, Inc.

2. I have reviewed the "Hallmarks of Leadership Excellence: Personal Assessment Results" document ("Hallmarks Document") dated August 30, 2002. I have also recently discussed with Daniel M. Snively our prior interaction with regards to our prior discussions regarding creating the platform.

3. I participated in a meeting with Daniel M. Snively and received a copy of the Hallmarks Document from Daniel M. Snively on or before August 30, 2002.

4. The Hallmarks Document attached as Exhibit A was provided to me on or before August 30, 2002..

5. At the time identified in paragraph 3, I understood the Hallmarks Document to disclose a system for synthesizing commercially available Internet-based standardized assessment results in a leadership report customizable for specific leadership domains, such as education, or clergy, or business,.

6. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true and further that these statements were made with the knowledge that willful false statements and the like so

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made are punishable by fine or imprisonment, or both, under §1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

And further, I sayeth not.

  
\_\_\_\_\_  
David T. Pfenninger

Date: September 8, 2006

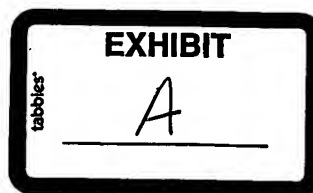
# HALLMARKS OF LEADERSHIP EXCELLENCE

## PERSONAL ASSESSMENT RESULTS

Name

August 30, 2002

**CHORUS<sup>®</sup>** *ASSESSMENT CENTER<sup>™</sup>*



# HALLMARKS OF LEADERSHIP EXCELLENCE™

## Introduction

Companies and organizations are comprised of people. Leaders and their mindsets not only shape organizations, but they also make the difference. Products, services, marketing, customer service, etc. help define what a company does or produces, but it is ultimately its people and leaders who either constrain or accelerate its performance. A company's competitive edge has shifted from cutting edge products and services to having the best leadership talent. Companies and organizations that will thrive in the 21<sup>st</sup> millennium will be those who attract, develop and retain the best leadership talent pool.

The Hallmarks of Leadership Excellence™ has been developed to capture the essence and attributes of leadership excellence. The unique blend of leadership practices mapped to multiple competency and personality-based assessment instruments offers seasoned to fast track executives and managers the opportunity discern their strengths and limitations in the context of leadership excellence. Your assessment results are compared to characteristics and mindsets of leadership excellence and in turn, yield valuable insights into your abilities and areas to pursue personal growth for greater performance.

What is leadership talent? Do I have enough leadership talent to make a difference? Can I increase and/or improve my leadership talent? In moments of critical reflection, most leaders contemplate these kinds of questions and wonder if it is possible to gather valid and reliable information about themselves. The Hallmarks of Leadership Excellence has been developed to assist leaders, executives and managers who have a compelling desire to know and target improvement to reach a level of excellence for which they hunger.

Leadership talent can be elusive. We believe that leadership talent is comprised of character, intrinsic gifts, drive, personality, competencies, skills, attitudes, experiences, instincts and judgment. Also of critical importance is a leader's commitment to recognize personal deficiencies and possess a profound desire for personal growth. The Hallmarks of Leadership Excellence™ tool is able to provide an information-rich stream of qualitative and quantitative feedback that with reflection and growth can bring powerful insights and measurable performance improvement.

We believe that multiple and diverse instruments provide the best assessment perspective in comparison to even the highest quality one-dimensional instruments. Multiple, diverse instruments are similar to taking pictures of an object at different angles. Different angles give a more full picture of the subtleties, dimensions and characteristics of the object being observed. The Hallmarks of Leadership Excellence™ utilizes instruments that evaluate leaders from the angles of competencies, personality, critical thinking skills and emotional intelligence so that respondents receive a more complete profile of their leadership acumen.



The Hallmarks of Leadership Excellence™ feature assessment instruments that have been statistically validated are nondiscriminatory (race, culture and gender) and custom selected from over 35 leadership instruments. In addition to the statistical strength of using multiple, diverse and applicable instruments, all performance improving suggestions have been mapped to the respective competencies of each Hallmark. This unique process provides the respondent constructive feedback from instruments specifically designed to help determine executive excellence. Your leadership results have been analyzed and evaluated by the following unique blend of executive leadership instruments:

- ❑ **Personal Competency Inventory** – This assessment provides information on an executive’s abilities in several key areas ranging from strategizing to handling stress. Based upon a competency model, the assessment helps people understand their strengths and limitations as well as identifies career development efforts needed to increase their performance in the identified key areas.
- ❑ **Manchester Personality Questionnaire Version 14.2** – This instrument is specifically designed to provide a comprehensive assessment of critical personal characteristics that are likely to have a high impact on work success. The MPQ14.2 is regarded as one of the most valid and reliable means of assessing personal competencies. As a result, this instrument is a powerful tool for understanding an executive’s strengths, limitations and areas of professional competence.
- ❑ **Work Profile Questionnaire-Emotional Intelligence** – The WPQei is based on a conceptual model of emotional intelligence that has seven components. An overall score for emotional intelligence is generated in addition to a score on each of the seven competencies. Areas for development and the respondent’s preferred team role are also identified.
- ❑ **Watson-Glaser Critical Thinking Appraisal (WGCTA)**. This tool is designed to measure an executive’s critical thinking skills. The WGCTA is based upon the assessment of five critical thinking skills (inference, recognition of assumptions, deduction, interpretation and evaluation of arguments) central to performance excellence.

To help you navigate the Hallmarks of Leadership Excellence™ report, the following sections are in order of appearance with corresponding descriptions:

- ❑ **Introduction.** The first section describing what, why and the value of the Hallmarks of Leadership Excellence
- ❑ **Hallmarks Profile Summary.** A brief narrative summary of a respondent’s results with a bar graph profiling the composite scores for each Hallmark
- ❑ **Hallmarks Analysis.** Each of the 10 Hallmarks is described separately, illustrated with specific competencies and noted with respective value statements mapped from the results of the four leadership assessment instruments. For visual clarity and quick reference, each Hallmark and its respective competencies have been charted individually and averaged into a Hallmark composite score

- ❑ **Transformational Outcomes.** Based upon the findings from the four leadership assessment instruments compared to the Hallmarks of Leadership Excellence, performance improvement recommendations are provided for those Hallmark areas reporting limitations.
- ❑ **Composite Scales.** Results summary for each of the four assessment instruments are provided for easy reference.
- ❑ **Composite Transformational Outcomes.** Each Hallmark of Leadership Excellence has Transformational Outcomes that have been supplied at the end of the report as a guide and reference for leaders who desire excellence in multiple areas of acumen.
- ❑ **Assessment Instrument Reports.** Reports for each of the leadership assessment instruments along with an introduction on how to use the reports is provided for the following instruments:
  - Personal Competency Inventory (PCI).
  - Manchester Personality Questionnaire Version 14.2 (MPQ14.2)
  - Work Profile Questionnaire-Emotional Intelligence (WPQei)
  - Watson-Glaser Critical Thinking Appraisal (WGCTA)

## Hallmarks Profile Summary

The composite score for each of the Hallmarks of Leadership Excellence is presented in the table below. Composite scores were calculated by averaging the scores from the competencies associated with each Hallmark derived from the four leadership assessment instruments. Results between 1 and 3 reflect limitations that may be present in the performance of the respondent in the Hallmark characteristic. Scores between 4 and 7 indicate mid-range Hallmark behaviors that could become strengths with additional learning and practice. Scores between 8 and 10 give evidence of strength in behaviors and skills associated with the Hallmark.

As you review your profile summary, think about the Hallmark leadership characteristics that are most important to your current responsibilities to determine those requiring your immediate focus. For executives and managers who aspire to comprehensive excellence, we encourage you to sort through the Hallmark attributes and prioritize your learning and practice gaps to reach systematic mastery of the Hallmark behaviors and skills. The next section of the report, **Hallmarks Analysis**, identifies specific competencies associated with each of the Hallmarks from the four leadership assessment instruments.







Hallmark	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
<b>Integrity</b>											5
<b>Speed/Initiative</b>											6
<b>Quality-driven/Customer-focused</b>											5
<b>Effective Communicator</b>											5
<b>Strategic Focus</b>											5
<b>Continuous Learner</b>											6
<b>Energetic Team Builder</b>											5
<b>Extraordinary Results</b>											5
<b>Financially Literate</b>											5
<b>Emotional Maturity</b>											6

## Hallmarks Analysis

**Integrity** – Builds trust. Speaks and lives truth with honesty, courage and grace.

The character quality of integrity has always been important both in the world of leadership and in interpersonal relationships that we all enjoy. It has been said that integrity is the currency of trust by which business relationships thrive and prosper. Integrity like many other characteristics can be abstract. We have identified five competencies (*ethics, communication, finance, self-awareness and conscientiousness*) from the leadership assessment instruments that form a foundation for feedback to you on this critical Hallmark.

Your composite score for the Hallmark of Integrity is 5. This represents a mid-range skill in the cluster of behaviors defining integrity. Each competency score is presented in the table below along with respective value statements to offer descriptive insights of behavior and skills associated with the Hallmark of Integrity. Recommendations for improving your Hallmark of Integrity are furnished later in the report.

Integrity	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Ethics											5
Communication											7
Finance											2
Self-awareness											7
Conscientiousness											6
Overall Score											5







- ❑ **Ethics** - Usually confronts inappropriate behavior, average display of respect of individual and cultural differences and frequently keeps promises and commitments
- ❑ **Communication** - Frequently communicates views and opinions in a clear, open and effective manner and is considered friendly and approachable
- ❑ **Finance** - Lower than average ability to manage money, negotiate budgets and control costs
- ❑ **Self-awareness** - Occasionally misgauges personal emotions and their effects on other people and situations, accepts some criticism and usually admits to mistakes
- ❑ **Conscientiousness** – Average attention to detail, frequently follows through with commitments and often balances the challenge between expediency and meeting expectations

## Hallmarks Analysis

**Speed/Initiative** – Sizes up situations quickly. Acts decisively. Anticipates change and initiates solutions.

Business climate and the frequent demands on leaders can often create tension and uncertainty. Add a frenzied pace of change with the critical need for decisiveness and you have a formula for failure and burnout. Leaders who not only survive, but excel within these pressures have learned how to leverage the Hallmark of Speed/Initiative. The competencies (*decisiveness, openness to change, intuition, innovation and critical thinking*) capture many of the attributes descriptive of this Hallmark.

Your composite score for the Hallmark of Speed/Initiative is 6. This represents a mid-range skill in the cluster of behaviors describing speed/initiative. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Speed/Initiative. Recommendations for improving this Hallmark are furnished later in the report.

Speed/Initiative	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Decisiveness											7
Openness to Change											6
Intuition											4
Innovation											6
Critical Thinking											7
Overall Score											6







- ❑ **Decisiveness** - Average ability to make decisions, deliberate and systematic in initiating and implementing decisions
- ❑ **Openness to Change** – Demonstrates some tendencies toward understanding and accepting change, is creative and willing to experiment with new ideas and strategies as the average person
- ❑ **Intuition** – Balances instincts and fact gathering in forming decisions as well as the average person
- ❑ **Innovation** - Occasionally considers new ideas, approaches and methods in confronting problems and challenges
- ❑ **Critical Thinking** – Average ability to interpret complex information, apply reasoning skills to problem solving and evaluate information to arrive at correct conclusions

## Hallmarks Analysis

**Quality-driven/Customer-focused** – Listens to customers. Dedicated to achieving quality service and personal excellence.

Competitive edge is achieved when the leaders of companies or organizations are driven to provide quality and value to their customers. Leaders who practice the competencies that comprise the Quality-driven/Customer-focused Hallmark (*conscientiousness, perfectionism, customers, empathy and relationship*) are better prepared to meet the demands and challenges of helping their companies keep and increase market share.

Your composite score for the Hallmark of Speed/Initiative is 5. This represents a mid-range skill in the cluster of behaviors describing quality-driven/customer-focused. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Quality-driven/Customer-focused. Recommendations for improving this Hallmark are furnished later in the report.

Quality-driven/ Customer-focused	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Conscientiousness											6
Perfectionism											3
Customers											5
Empathy											5
Relationship											6
Overall Score											5






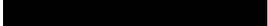
- ☐ **Conscientiousness** – Average attention to detail, frequently follows through with commitments and often balances the challenge between expediency and meeting expectations
- ☐ **Perfectionism** – May be careless with details, less methodical and lower than average drive for quality
- ☐ **Customers** – Average skill in listening and understanding customers and often anticipates and meets customers' needs
- ☐ **Empathy** - Frequently displays the ability to understand people and their needs and is often able to communicate that understanding effectively
- ☐ **Relationship** – Consistently establishes rapport with colleagues and customers, responds to collaboration and is a team player

## Hallmarks Analysis

**Effective Communicator** – Articulates ideas and influences people through clear, coherent written and oral communications.

Having skills to communicate effectively in all forms of communication and multiple environments has never been more critical. Highly effective leaders establish presence and influence stakeholders, staff and constituents through their ability to communicate clearly and persuasively. The competencies (*communication, social skills, rationality, learning and innovation*) contain much of the essence for being a leader who displays the Hallmark of Effective Communicator.

Your composite score for the Hallmark of Effective Communicator is 5. This represents a mid-range skill in the cluster of behaviors describing effective communicator. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Effective Communicator. Recommendations for improving this Hallmark are furnished later in the report.

Effective Communicator	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Communication											7
Social Skills											2
Rationality											6
Learning											3
Innovation											6
Overall Score											5

- ❑ **Communication** – Able to communicate in a clear, open and effective manner, considered friendly and approachable. Written communication is usually effective and clear
- ❑ **Social Skills** – Below average ability to build rapport with people. Focuses primarily on tasks and prefers to work alone
- ❑ **Rationality** - Thinking processes reflect an average balance of intuition, spontaneity, logic and reflection
- ❑ **Learning** - Displays tendency to be content with current knowledge and skill levels
- ❑ **Innovation** – Occasionally considers new ideas and methods when approaching and communicating problems and challenges

## Hallmarks Analysis

**Strategic Focus** – Conceptualizes like a business owner/partner vs. employee. Well-developed global-life view. Understands the times and issues and is equipped to develop and deploy strategic action.

Understanding the times and knowing what to do is the essence having a strategic focus. Knowing and practicing principles of strategic planning is no longer sufficient. Leaders who exhibit a global focus, process ideas with an industry-wide perspective and possess an instinct for action represent characteristics of the Hallmark of Strategic Focus. Findings from the competencies (*assertiveness, strategy, motivation, innovation and creativity*) provide the foundation for the Hallmark Strategic Focus.

Your composite score for the Hallmark of Effective Communicator is 5. This represents a mid-range skill in the cluster of behaviors describing strategic focus. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Strategic Focus. Recommendations for improving this Hallmark are furnished later in the report.

Strategic Focus	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Assertiveness											4
Strategy											6
Motivation											6
Innovation											6
Creativity											5
Overall Score											5

- ☐ **Assertiveness** - Engages ideas and solutions with others, good balance of listening and initiating issues and is able to be as persuasive in presenting ideas as the average person
- ☐ **Strategy** - Occasionally conceptualizes and communicates new ways of doing things, frequently contributes in strategic planning and scenario development discussions and effectively implements assigned strategies
- ☐ **Motivation** - Average drive, energy and persistence toward accomplishing tasks, committed to organizational vision and often thinks about career progression
- ☐ **Innovation** - Frequently thinks about new ideas and often initiates by suggestion, average balance between implementing and generating improvements in strategies and reasonably comfortable in taking calculated risks
- ☐ **Creativity** - Possesses and integrates some of the attributes of innovation, originality, imagination and implementation, anticipates and cooperates with change and occasionally initiates new, effective strategies









## Hallmarks Analysis

**Continuous Learner** – Committed to constant personal development of technical and functional expertise. Assumes responsibility for identifying areas for personal growth. Ability to discern best practices and readily shares knowledge and skills with others.

Access to information, self-help resources, seminars, and Internet searches provide an avalanche of learning opportunities. Effective leaders who practice the Hallmark of Continuous Learner are discerning, self-motivated learners who assume responsibility for their personal growth and are eager to invest it into the lives of others. Competencies of the Hallmark of Continuous Learner (*knowledge, self-awareness, learning, relationship and social confidence*) provide a platform to understand and improve your long term leadership performance.

Your composite score for the Hallmark of Continuous Learner is 6. This represents a mid-range skill in the cluster of behaviors describing a continuous learner. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Continuous Learner. Recommendations for improving this Hallmark are furnished later in the report.

Continuous Learner	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Knowledge											5
Self-awareness											7
Learning											3
Relationship											6
Social Confidence											7
Overall Score											6






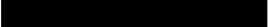
- ☐ **Knowledge** - Searches for new approaches to solve problems, committed to evaluating the environment to determine best practices and often shares new knowledge and skills with others
- ☐ **Self-awareness** Seldom misgauges personal emotions and their effects on other people and situations, seeks critical feedback and routinely admits to mistakes
- ☐ **Learning** - Displays tendency to be content with current knowledge and skill levels
- ☐ **Relationships** – Consistently establishes rapport with colleagues and customers, responds to collaboration and is a team player
- ☐ **Social Confidence** - High ability to assess social and work environments, fits in quickly and interacts effectively.

## Hallmarks Analysis

**Energetic Team Builder** – Selects talented people. Creates and models empowering environment. Promotes diversity (cultural, race and gender) to realize business success.

Building an interdependent team environment within a company or organization should not be a slogan, but a lifestyle of the effective leader. The global orientation of business, diversity of workforce and work arrangements and collaboration with competitors are creating an environment where the mastery of team building dynamics is required. The Hallmark of Energetic Team Builder competencies (*empathy, agreeableness, innovation, social skills and intuition*) will supply you feedback on essential attributes to achieve maximum team building performance.

Your composite score for the Hallmark of Energetic Team Builder is 5. This represents a mid-range skill in the cluster of behaviors describing an energetic team builder. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Energetic Team Builder. Recommendations for improving this Hallmark are furnished later in the report.

Energetic Team Builder	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Empathy											7
Agreeableness											5
Innovation											6
Social Skills											2
Intuition											4
Overall Score											5

- ☐ **Empathy** - Engages in people's discussions and ideas, willingly builds on people's ideas and suggestions, responds appropriately to people's feelings and emotions and frequently involves people in decisions
- ☐ **Agreeableness** - Balanced between being independent and working with other people, frequently participative in team environments and confident in social situations
- ☐ **Innovation** - Frequently thinks about new ideas and often initiates by suggestion, average balance between implementing and generating improvements in strategies and reasonably comfortable in taking calculated risks
- ☐ **Social Skills** – Below average ability to build rapport with people. Focuses primarily on tasks and prefers to work alone
- ☐ **Intuition** – Balances instincts and fact gathering in forming decisions as well as the average person

## Hallmarks Analysis

**Extraordinary Results** – Ability to align and mobilize the company’s processes, resources and people to achieve measurable, bottom-line results.

Increasing market share, shrinking resources, unprepared workforce and juggling interpersonal tensions are normal demands facing most executives and managers. High performing leaders consistently display the Hallmark of Extraordinary Results as they create impact for their companies. The competencies (*project management, customers, knowledge, motivation and openness to change*) shape many of the characteristics critical to displaying this Hallmark.

Your composite score for the Hallmark of Extraordinary Results is 5. This represents a mid-range skill in the cluster of behaviors describing extraordinary results. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Extraordinary Results. Recommendations for improving this Hallmark are furnished later in the report.

Extraordinary Results	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Project Management	██████										2
Customers	██████████										5
Knowledge	██████████										5
Motivation	██████████										6
Openness to Change	██████████										6
Overall Score	██████████										5







- ☐ **Project Management** - Lower than average ability to develop project plans, manage costs, calculate risks and develop reports
- ☐ **Customers** – Average skill in listening and understanding customers and often anticipates and meets customers’ needs
- ☐ **Knowledge** - Searches for new approaches to solve problems, committed to evaluating the environment to determine best practices and often shares new knowledge and skills with others
- ☐ **Motivation** - Average drive, energy and persistence toward accomplishing tasks, committed to organizational vision and often thinks about career progression
- ☐ **Openness to Change** – Demonstrates some tendencies toward understanding and accepting change, is creative and willing to experiment with new ideas and strategies as the average person

## Hallmarks Analysis

**Financial Literacy** – Functional grasp of the principles and language of business. Understands and evaluates financial information and values compounding of resources.

Top performing leaders conceptualize in broader business and deeper financial patterns than most and thus create more leverage and impact within their organizations. The Hallmark of Financial Literacy contains many of the competencies associated with the skills and mindset of top performing leaders. The competencies (*finance, critical thinking, innovation and knowledge*) will provide you with feedback to help you improve your financial literacy.

Your composite score for the Hallmark of Financial Literacy is 5. This represents a mid-range skill in the cluster of behaviors describing financial literacy. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Financial Literacy. Recommendations for improving this Hallmark are furnished later in the report.

Financial Literacy	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Finance											2
Critical Thinking											7
Innovation											6
Knowledge											5
Learning											3
Overall Score											5

- ❑ **Finance** - Lower than average ability to manage money, negotiate budgets and control costs
- ❑ **Critical Thinking** – Average ability to interpret complex information, apply reasoning skills to problem solving and evaluate information to arrive at correct conclusions
- ❑ **Innovation** – Occasionally considers new ideas and methods when approaching and communicating problems and challenges
- ❑ **Knowledge** - Searches for new approaches to solve problems, committed to evaluating the environment to determine best practices and often shares new knowledge and skills with others
- ❑ **Learning** - Displays tendency to be content with current knowledge and skill levels

## Hallmarks Analysis

**Emotional Maturity** – Able to discern and transition effectively in cross-situational environments. Understands and manages personal emotions. Respects the feelings and attitudes of others.

Emotional maturity or emotional intelligence is the secret factor of effectiveness for high performing leaders. Leaders who have a strong set of executive skills, but lack emotional intelligence will not achieve up to their potential. The Hallmark of Emotional Maturity represented by the competencies (*self-awareness, emotion, social skills, empathy and stress*) selected from the assessment instruments will give you accurate and insightful feedback for this career advancing Hallmark.

Your composite score for the Hallmark of Emotional Maturity is 6. This represents a mid-range skill in the cluster of behaviors describing emotional maturity. Each competency score is presented in the table below along with respective value statements to offer helpful insights of behavior and skills associated with the Hallmark of Emotional Maturity. Recommendations for improving this Hallmark are furnished later in the report.

Emotional Maturity	Limitation			Mid-Range				Strength			Score
	1	2	3	4	5	6	7	8	9	10	
Self-awareness											7
Emotions											5
Social Skills											2
Empathy											8
Stress											8
Overall Score											6

- ☐ **Self-awareness** - Occasionally misgauges personal emotions and their effects on other people and situations, accepts some criticism and usually admits to mistakes
- ☐ **Emotion** - Mostly aware of moods and affect on behavior, consistently manages moods and often handles pressure calmly
- ☐ **Social Skills** – Below average ability to build rapport with people. Focuses primarily on tasks and prefers to work alone
- ☐ **Empathy** - Manages by listening and understanding the emotional cues of others, promotes and empowers team qualities and celebrates and rewards people's strengths and accomplishments
- ☐ **Stress** - Manages moods and emotions calmly, seeks critical feedback and learns from mistakes, sees setbacks and obstacles as manageable and empowering and effective in saying no to unreasonable demands in maintaining work/life balance



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Art Unit	:	3714		
Examiner	:	Aileen Chyn		
Docket No.	:	CHORUS-P007-01		
Customer No.	:	27268		

**DECLARATION OF DANIEL M. SNIVELY**

I, Daniel M. Snively of 6615 Finchley Road, Indianapolis, IN 46250, declare as follows:

1. I am one of the inventors of the above identified patent application. I am a Vice President and Senior Consultant of Chorus, Inc. My duties for Chorus include executive/team coaching, organizational consulting and research/development. I have a ten percent (10%) financial interest in Chorus, Inc.
2. I have reviewed the "Hallmarks of Leadership Excellence: Personal Assessment Results" document ("Hallmarks Document") dated August 30, 2002.
3. I exchanged emails and phone calls with Dr. David Pfenninger, President of Performance Assessment Network ("PAN") from August 19, 2002 to August 30, 2002 regarding the construction of the Hallmarks Document. In addition, I met with Dr. Pfenninger on August 26, 2002 at 3:30 PM in the PAN board room and again on August 29, 2002 at 10 AM in the PAN board room to review and demonstrate the development and construction of Hallmarks Document.
4. During the period from September 16, 2002, until February 18, 2003 I participated with others at Chorus in background research to identify and define the leadership competencies for the process disclosed in the Hallmarks Document. Following several trials of seven assessment tools, the final instrument battery for the Hallmarks Document was completed by the end of October 2002. The next step involved evaluating, mapping and constructing algorithms for mapping the attributes from the four instruments to the identified competencies. Then each attribute was analyzed for a range of value narratives to explain the leadership/management behavior correlated to the competency using a four tier construction of scoring (e.g. 1-3; 4-5; 6-7; 8-10). The rough draft of the process disclosed in the Hallmarks

Document was completed by developing a master document that coded the four tiered value narrative for each attribute charted to its respective competency.

5. I have provided copies of relevant literature attached at Exhibit A-C which show that the definitions which have been added to the present application's specification were well known in this field, as demonstrated by the publication sources well know to those of ordinary skill in this field. The following sources represent a sample of relevant assessment literature attesting to the common use of attributes, behaviors and competencies consistent with their use in the Hallmarks Document and the presently amended application:

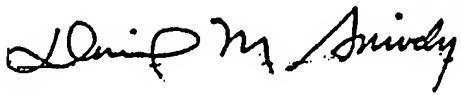
A. **On Leadership**. John Gardner. Free Press, New York, 1990. (*The language is pervasive in this book, but most notably, Chapter 5: Attributes*)

B. **Results-Based Leadership**. Dave Ulrich, Jack Zenger and Norm Smallwood. Harvard Business School Press, 1999. (*Chapter 1*)

C. **The Thing in the Bushes**. Kevin Graham Ford and James P. Osterhaus. Pinon Press, Colorado Springs, CO, 2001. (*Chapter 3 and Appendix 1: Competencies*)

6. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under §1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

And further, I sayeth not.



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DANIEL M. SNIVELY

Date: October 5, 2006

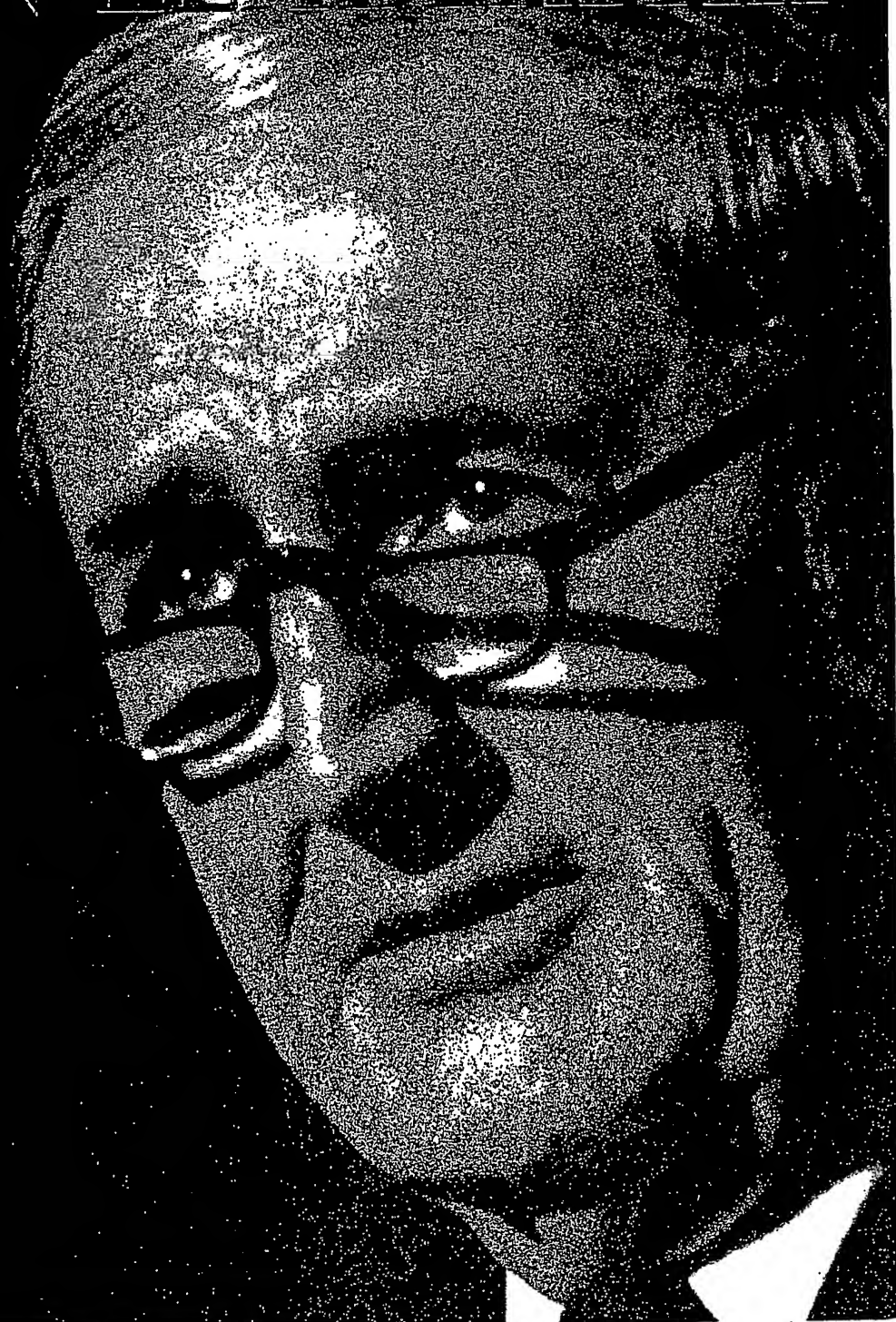
# JOHN W. GARDNER ON LEADERSHIP

GARDNER

ON LEADERSHIP

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debates, to represent groups before the city council, and so on. Leaders may suffer from a physical disability (e.g., Franklin D. Roosevelt's poliomyelitis) or episodes of illness (e.g., Eisenhower's heart attack) but they cannot over any significant period of time lack vitality.

Most of Julius Caesar's extraordinary gifts have been commented on but his energy is rarely mentioned. Conquering Gaul and at the same time writing books about it, invading Britain, chasing Pompey across the Adriatic, fighting the political battles of Rome, dallying with Cleopatra and countless less famous ladies—it must have taken energy!

2. *Intelligence and Judgment-in-Action.* There are bright people who lack judgment altogether (which may be the source of the observation that "there's nothing worse than a stupid person with a brilliant mind"). There are able analysts who cannot move from analysis to action. And then there is the failing General Carl Spaatz had in mind when he said of one of his fellow officers in World War II, "He thinks things through very carefully before he goes off half-cocked." Such people are unlikely to attain leadership.

Some years ago, in conversation with a chief executive officer who had been on the job for six months, I asked his opinion of the second-in-command he had inherited. He said, "He's a superb crisis manager, which is fortunate because his lack of judgment leads to a lot of crises."

Judgment is the ability to combine hard data, questionable data and intuitive guesses to arrive at a conclusion that events prove to be correct. Judgment-in-action includes effective problem solving, the design of strategies, the setting of priorities and intuitive as well as rational judgments. Most important, perhaps, it includes the capacity to appraise the potentialities of coworkers and opponents.

James Madison, standing five feet, four inches tall and weighing about 100 pounds, did not have a commanding presence and was not an effective public speaker. Yet, in his mid-thirties he was one of the most—some say *the* most—important contributor to the design of our political system. He understood how to translate our ideals into a system that worked, and he had the keen political sense and purposefulness to work with others toward a good result.

3. *Willingness (Eagerness) to Accept Responsibilities.* This attribute is the impulse to exercise initiative in social situations, to bear the burden of making the decision, to step forward when no one else will.

On March 5, 1770, a confrontation between British soldiers and a crowd of Bostonians led to the death of five colonists—the so-called Boston Massacre. Fearing popular anger, three lawyers in succession refused to serve as defense counsel. John Adams thought it of great

One could go on forever examining the diversity of contexts, and the ways in which individuals with attributes appropriate to those contexts rise to greatness. The interplay between context and personal attributes is easy to grasp, and people accept it quite readily. But then they return to their unquenchable curiosity about the characteristics of leaders.

We need not be unresponsive to that curiosity. There is in fact much to be said. The probability is greater than chance that leaders in one situation will be leaders in another situation. So there is no reason why, with appropriate prudence, we should not discuss attributes often associated with one or another kind of leadership. The attributes that follow are not present in every leader. The importance of the attribute to effective leadership varies with the situation. With these cautions—and any others that may occur to the reader—let us proceed.

I have drawn upon the writings of Ralph Stogdill, Bernard Bass,<sup>1</sup> Edwin P. Hollander,<sup>2</sup> and others who have reviewed the extensive body of research in the field. The reader may want to add items to the list or to describe an attribute in terms other than I have used.

1. *Physical Vitality and Stamina.* If one asks people to list the attributes of leaders, they are not likely to mention a high energy level or physical durability. Yet these attributes are essential. Top leaders have stamina and great reserves of vitality. Even the leader of a neighborhood organization is apt to stand far above the average in sheer energy—energy to convene meetings after a hard day's work, to chair long and heated

importance that the guilt or innocence of the soldiers be determined by a fair trial. Despite the fact that he was an influential member of the people's party, anything but sympathetic to the Crown, he believed it was his responsibility to accept the defense assignment.

A less dramatic example: When Golda Meir, later prime minister of Israel, was eleven years old and living in Milwaukee, she organized the American Young Sisters Society, a group of schoolgirls who raised funds for children who could not pay the nominal sum charged for textbooks in the Milwaukee public schools.<sup>3</sup> That she should have regarded it as her responsibility spoke of leadership in the bud.

4. *Task Competence.* Researchers on leadership use the phrase to mean the knowledge a leader has of the task at hand. Columbus was not just a man with a burning mission; he said of himself with considerable modesty, "The Lord hath blessed me abundantly with a knowledge of marine affairs."<sup>4</sup> At the other extreme, Winston Churchill's father, Randolph, was appointed chancellor of the exchequer for the most political of reasons. He did not increase his standing when, on being shown a balance sheet, he waved a finger at the decimal points and said, "I could never make out what those damned dots meant."<sup>5</sup>

A more serious example: On a flight to California in my third month as a Cabinet officer, I found myself sitting next to a hard-bitten lobbyist whom I knew well, and I showed him a piece of regulatory legislation to be voted on in Congress that day. We were certain to win and I was elated—but my seat companion cured that. After reading the bill he said: "That's the kind of legislation your opponents love. If they blocked all action on your part they would look bad. Much better to give you this legislation with its vague definition of the practices to be outlawed and its loose enforcement provisions. You'll feel you've won something and they'll know you haven't." I still had a lot to learn.

Obviously the knowledge required varies at different levels of leadership. The lowest levels must have intimate knowledge of the task at hand. Top-level leaders cannot hope to have competence in more than a few of the matters under their jurisdiction, but they must have knowledge of the whole system over which they preside, its mission, and the environment in which it functions.

5. *Understanding of Followers/Constituents and Their Needs.* Leaders must understand the various constituencies with whom they work. The late Bear Bryant of the University of Alabama, one of the all-time greats among college football coaches, once said to me, "I know my players better than they know themselves. How else could I get the best out of them?"

6. *Skill in Dealing with People.* This is obviously related to *intelligence and judgment-in-action*, as well as to *understanding of followers*. At the heart of skill in dealing with people is social perceptiveness—the ability to appraise accurately the readiness or resistance of followers to move in a given direction, to know when dissension or confusion is undermining the group's will to act, to make the most of the motives that are there, and to understand the sensitivities. I once hired a middle manager solely on the basis of high verbal intelligence. His skills with people proved to be virtually nonexistent. He made ill-considered and hasty promises. He was bumptious but not brave, obsequious to superiors, ungracious to peers, and given to nasty altercations with subordinates. It was a lesson for me.

7. *Need to Achieve.* No one who has known leaders or read extensively in the lives of leaders can have missed the evidence of driving pressure to achieve. When Abraham Lincoln was twenty-nine, he addressed the Young Men's Lyceum in Springfield, Illinois. Noting that the field of glory of the Founding Fathers was already harvested, he said: "But new reapers will arise . . . men of ambition and talent will . . . continue to spring up among us." And he made it clear that they would not work on tasks already done. "Towering genius disdains a beaten path. It seeks regions unexplored."<sup>6</sup> Students of Lincoln do not doubt that even then he was dreaming of greatness.

Early in life, John Adams said, "Let Love and Vanity be extinguished and the great Passions of Ambition and Patriotism break out and burn." Ironically, it was almost certainly the love of Abigail that mitigated his deepest insecurities and freed him to pursue the "great Passions."<sup>7</sup>

8. *Capacity to Motivate.* More than any other attribute, this is at the heart of the popular notion of leadership—the capacity to move people to action, to communicate persuasively, to strengthen confidence. Churchill was one of the most spectacular examples of the leader-as-motivator. Communication is, of course, the prime instrument of the leader/motivator, and all leaders take their communicating seriously. One of his closest friends said that Churchill spent a good part of his life rehearsing impromptu speeches. One day his valet, having drawn his master's bath shortly before, heard Churchill's voice booming out from the bathroom. The valet stuck his head in to find out if anything was needed. Churchill, immersed in the bathtub, said "I was not speaking to you, Norman, I was addressing the House of Commons."<sup>8</sup>

9. *Courage, Resolution, Steadiness.* Clearly a leader needs courage—not just bravery of the moment but courage over time, not just

willingness to risk, but to risk again and again, to function well under prolonged stress, to survive defeat and keep going.

Few stories of moral courage are more convincing than that of Anne Hutchinson. The Massachusetts Bay Colony of the 1630s was a stern theocracy, and it was dangerous even for a man to disagree with established church doctrine. Hutchinson not only disagreed, she organized women's discussion groups to explore the areas of disagreement. Put on trial for heresy, she was not given the right to introduce evidence in her own defense, and her defense witnesses were bullied. Excommunicated and banished from the colony, she led her band of followers to Roger Williams's Colony of Rhode Island and then set up her own community. She was a leader.

So was Daniel Webster. Both abolitionists and secessionists were bitterly opposed to the Compromise of 1850, but Senator Webster from the passionately abolitionist state of New Hampshire advocated it and his great seventh of March speech ensured its passage. He knew that he was signing his political death warrant. To friends who tried to hold him back Webster said he had decided "to push my skiff off from the shore alone."<sup>9</sup> The vilification that greeted him was predictable. Horace Mann described him as "A fallen star: Lucifer descending from Heaven."<sup>10</sup> His political career was over, and two years later he died.

As one observer said of leaders, "They *never* give up." It is not possible to overstate the value of steadiness in leadership. Individuals and groups who wish to align themselves with a leader find it hard to do so if the leader shifts position erratically, whether from emotional instability, duplicity or flagging determination. Leaders symbolize many things, among them the capacity of the whole group to stay the course.

10. *Capacity to Win and Hold Trust*. Some leaders have an extraordinary capacity to win trust. General George C. Marshall had the capacity and, as in the case of George Washington, it was a virtually invisible gift. The leader who can win a battle, dazzle an audience or smash electoral opposition has something the journalists and historians can write about. How many have ever written about the bonds of trust that Washington and Marshall forged so quietly?

11. *Capacity to Manage, Decide, Set Priorities*. As British educator Eric Ashby has pointed out, "Indecisiveness is contagious." Leaders must decide. And they must perform from time to time one or another of the traditional tasks of management—formulating goals, setting priorities, framing a course of action, selecting aides, and delegating. Though many leaders are not managers in the conventional sense of the word, they all benefit by having some of the skills of managers. General

William J. Donovan, first head of the Office of Strategic Services in World War II, had about as little interest in managing as any leader I ever knew—but he had the wisdom to surround himself with men who were very gifted managers.

12. *Confidence*. There is a romantic notion that the best leaders do not thrust themselves forward but are sought out. In reality, almost all young leaders nominate themselves—over and over, if necessary. They win recognition through a series of acts of presumption. As Edwin P. Hollander puts it, they have a sense of assurance in exercising positive influence, a confidence that others will react affirmatively.<sup>11</sup> It requires confidence to take the risks that leaders take, and confidence to handle the hostility that leaders must absorb. Acclaim and derision are the rewards of leadership. The laurel is interlaced with poison ivy. In his last letter to Jefferson, George Washington said, "I had no conception . . . that every act of my administration would be tortured . . . in such exaggerated form and indecent terms as could scarcely be applied to a Nero, a notorious defaulter or even a common pickpocket."<sup>12</sup>

13. *Ascendancy, Dominance, Assertiveness*. The individuals successful in leadership roles are apt to have a fairly strong impulse to take charge. Their assertiveness does not necessarily conform to the stereotype of the visibly forceful leader—some are quiet and unspectacular—but whatever their outward styles, their impulse is to leave their thumbprints on events. Theodore Roosevelt was possibly the most vividly assertive leader in our history. One contemporary observer said, "Theodore Roosevelt was second only to Niagara Falls as an American phenomenon."<sup>13</sup>

14. *Adaptability, Flexibility of Approach*. It was said of Kemal Atatürk, the greatest figure in modern Turkish history, that he could shift swiftly and without second thought from a failing tactic to another approach, and if that did not work, to still another. Whether the field of action was war or diplomacy or domestic governance, he rarely clung stubbornly to an approach that was not producing results. His goals were stable but his tactics flexible.

One could extend the list of leadership attributes. Available research suggests other important qualities. But the preceding items surely rank among the most important. In any case, the research has demonstrated over and over that we must not think rigidly or mechanically about the attributes of leaders. The attributes required of a leader depend on the kind of leadership being exercised, the context, the nature of followers, and so on.

## Illusion and Reality

No doubt even in ancient times people occasionally confused style and substance, choosing as a leader someone who looked the part or talked the part but could not be the part. Most observers would agree that the temptation to be seduced by style has been enhanced by the pervasive force of the media in our lives. To be fair to the media, they can be used to reveal as well as conceal, to enlighten as well as confuse. Clearly they heighten the impact of image, appearance and style as against substance. I touched on the subject earlier but must reemphasize it in this context.

Today the aspirant to political office is likely to seek out quite early the advice of a professional image maker. If funds are available, there begins an elaborate process of information management and behavior modification designed to place before the voting public something other than the real man or woman who seeks the office. *The Washington Post* described how Senator Robert Dole submitted himself to the process as practiced by Dorothy Sarnoff whose firm, Speech Dynamics, specializes in such matters. "He was a wonderful student," said Sarnoff. "We change behavior very, very fast."<sup>14</sup> Susan Peterson, another "media trainer" who has worked with members of Congress says, "Ultimately, if I have done my job right, they will look completely untrained."<sup>15</sup>

Ghostwritten speeches, skillfully produced television spots and ingeniously contrived photo opportunities contribute to a manufactured product. So the public (even the reasonably well-informed public) is deprived of the opportunity so cherished in a free society to exercise its native judgment in choosing the candidate who meets its needs. It knows its needs. But it does not know the candidates—only skillfully manufactured facsimiles thereof. Thus is the very idea of popular sovereignty mocked. We have the right to choose among illusions. And who manufactures the illusions? Not the general run of citizens, we may be sure. The manufacture of illusions is expensive business.

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*How leaders build the  
business and improve  
the bottom line*

# Results- Based Leadership

Dave Ulrich  
Jack Zenger  
Norm Smallwood

Foreword by Warren Bennis

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Results-Based Leadership

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# Connecting Leadership Attributes to Results

# 1

## *Leaders Matter*

**T**HE QUEST TO BECOME a more effective leader will neither begin nor end with this work. However, we want to shift how to think about and become a better leader. It is faddish to think of leaders as people who master competencies and emanate character. While agreeing with this perspective, we believe that it falls short of assuring that leaders lead. Leaders do much more than demonstrate attributes. Effective leaders get results. This book refocuses and reframes the search for effective leadership by connecting attributes to results.

Study after study looking toward the future continues to demonstrate concern about building leadership. One recent Conference Board study found that only 54 percent of companies surveyed felt they had the leadership necessary to respond to change, and only 8 percent of executives rated overall leadership as excellent.<sup>1</sup> The Human Resource Institute found leadership to be the number 1 issue for effective people management. This study asked 312 respondents to rate the most pressing people issues faced in their company. It found that leadership was the most important, with over 70 percent of the respondents saying it is "extremely important."<sup>2</sup> In studies of the future sponsored by the Human Resource Planning Society (called "State of the Art"),<sup>3</sup>



by the Society for Human Resource Management,<sup>4</sup> *Workforce Magazine*,<sup>5</sup> and by the McKinsey consulting firm,<sup>6</sup> a similar set of overriding concerns emerged.

Clearly, leadership matters. Successful companies and individuals within companies exhibit leadership depth. The McKinsey study called "War for Talent" found that firms with leadership depth were much more profitable than those without it. Despite this, the gap between required and available leadership talent is widening. When executives are asked how confident they are about their organization's bench strength, they most often respond with increasing negativity.<sup>7</sup> This may be due in part, of course, to the restructuring, consolidation, and downsizing of recent decades which have reduced the number of leadership opportunities available to the next generation of leaders. Even though much has been written about leadership, and even though significant money and time have been expended to improve its quality, significant change has not been forthcoming. A chasm deepens and widens between what is expected of leaders and what they produce.

A simple exercise demonstrates the lure and danger of many current approaches to leadership. In seminars, we ask participants to complete the sentence "In the future, an effective leader at this firm must . . ." As participants think about this query, they consider market conditions, future strategies, and organizational requirements to compete, then come up with a list of eight to ten attributes of their desired leaders. Off the top of their heads, executives, middle managers, and first line supervisors often come up with items such as sets a vision, understands customers, communicates well, empowers others, has personal passion for the job, relishes change, builds teams, leverages diversity, and so forth. Using this list of leadership attributes, participants specify what effective leaders need to know and do for each item. We then ask, "What is missing from your list?" This causes participants to stop and generally identify more attributes, such as thinks globally, possesses energy and energizes others, tolerates ambiguity, has integrity, and so forth.

When we push even further for what is missing, some participants wonder what point we are trying to make. Eventually, someone almost always notices that the ever-lengthening list of leadership attributes does not include results, or what leaders accomplish because of the

Any number of simple examples illustrates this point. Airline pilots should know the vision of their company, communicate well, manage change, and have integrity, but in addition they must deliver results—in this case, safe travel. Leaders in business, schools, churches, families, and government agencies face the same challenge. It is not enough to have mastered the attributes of leadership; effective leaders must connect attributes to results.

In the search for more effective leadership, something has often been overlooked. Being capable and possessing the attributes of leadership is terrific, but capability must be put to appropriate, purposeful use. Our message to leaders may be put into the simple formula *Effective leadership = attributes × results*. This equation suggests that leaders must strive for excellence in both terms; that is, they must both demonstrate attributes and achieve results. Each term of the equation multiplies the other; they are not cumulative. Therefore, a low score in either attributes or results will considerably lessen the leader's effectiveness. A score of 9 out of 10 in attributes, for example, multiplied by a score of 2 out of 10 on results, yields an effectiveness rating of only 18 out of 100, not 11 out of 20, the score if the two terms were added.

Some leaders and firms have a predisposition to one side of the equation over the other. When this happens, overall leadership effectiveness falls. Some firms focus almost exclusively on "results," driving their leaders to do whatever it takes to make short-term performance objectives. Leaders in these firms care more about what is accomplished than about how it is accomplished, and they risk the lack of sustainable results. In other firms, the emphasis has been almost exclusively on leadership development through attributes, not paying enough attention to results. Both attributes and results matter. They represent the DNA of leadership and, taken together, they create a road map for improving leaders.

Connecting attributes to results and results to attributes becomes the next agenda for building effective leadership. This book focuses primarily, but not exclusively, on results. While tempted to immediately turn attention to the important characteristics and practices leaders use to create results, without appropriate attributes leaders will not be effective over time. Effective leadership requires both attributes and results. Attributes, if done well, matter; and, if done poorly, leaders cannot be effective. This chapter begins with a grounding in leadership attributes on that leaders recognize that *who they are* and *what they know* and *do*

## Building Better Leaders through Attributes

The trend in the last decade for individuals wanting to be or build more effective leaders has been to identify and upgrade leadership attributes; that is, the inner or personal qualities that constitute effective leadership. Under our rubric of leadership attributes falls a large array of sometimes confusing and often overlapping terms, including *habits*, *traits*, *competencies*, *behaviors*, *style*, *motives*, *values*, *skills*, and *character*.<sup>8</sup> These concepts, collectively called “leadership attributes,” fall into three broad categories: who leaders ARE (values, motives, personal traits, character); what leaders KNOW (skills, abilities, traits); and what leaders DO (behaviors, habits, styles, competencies). The ARE-KNOW-DO approach to leadership has received enormous attention and investment in the ongoing attempt to upgrade leaders.

An unfortunate consequence of this attribute approach to leadership has sometimes been the oversimplification and reduction of leadership improvement to a shopping expedition. Aspirants or their guides wander through the leadership attribute warehouse, taking from the shelf first one and then another trait, competency, value, and so on, then trying it out through workshops, videos, or books. When one attribute fails or wears out, the shopping recurs, and a new one replaces the old, starting the cycle all over again.

In recent years, the use of leadership attribute models to upgrade leaders has improved dramatically. Using research, more informed shoppers may now acquire the right attributes, given a business strategy, and understand the investments required to improve those attributes. Consulting firms such as Lominger and Personnel Decisions Inc. examine behavioral skills of leaders (for example, analytical thinking and dealing with ambiguity) to identify the competencies necessary for leadership success.<sup>9</sup> Their research-based models have helped many recognize desired leadership attributes.

Many companies have developed more refined and rigorous ways to identify leadership attributes. General Electric provides a good example of a company that makes the most of the attribute model for building and deploying better leaders. GE uses the concept of *competencies*, bundles of leadership behaviors, to improve leaders and has become renowned among the best at developing industry leaders.<sup>10</sup>

needed to build the next generation of leadership. CEO Jack Welch, for example, to assure GE's competitive future, claims he spends 40 percent of his time on people issues, much of it on leadership development.

Second, GE has in place a specific process for developing leadership talent. Its thirty-year-old succession planning system guides a large number of firm leaders in their professional development.<sup>11</sup> Culminating with an annual review by the CEO, top GE executives participate in numerous activities aimed at improving their abilities and increasing career opportunities—and aligning both to corporate strategy. These activities include individualized career plans projecting executives' expected growth within the company and extensive investment in their future through workshops and unique job assignments. GE executives are often considered for and offered CEO jobs at other firms, and the company almost always comes out at the top of lists identifying firms with world-class leadership development.

Third, GE defines leadership attributes behaviorally, for the benefit of future leaders. Jack Welch proposed at a meeting of the company's five hundred executives that all GE leaders would be held accountable both for “making the numbers” and for “living the values.” Most executives know the meaning of “make the numbers”—annual cash contributions, earnings, and market share gains. “Living the values” was less clear. Participants at the meeting agreed in principle on the importance not only of the numbers but of how those numbers were achieved. They also agreed on the difficulty of specifying how to operationalize “living the values.” To find solid ground for this ambiguous concept, GE leaders designed and deployed a pragmatic, measurable tool known as the Leadership Effectiveness Survey (LES). This survey synthesizes GE values into a list of eight categories and then stipulates specific behaviors consistent with each value. The LES serves GE as a standard for leaders at every level, all of whom are expected to reach their numbers the “right way.” (See the appendix at the end of this chapter for a copy of the LES.)

Fourth, GE uses the leadership competencies stipulated in the LES to integrate a number of management practices with the purpose of building quality of leadership. These include considering a candidate's abilities on the LES categories when making hiring or promotion decisions; using annual 360-degree feedback from supervisors, peers, clients, and subordinates to rate the extent to which leaders demonstrate



Like GE, literally hundreds of companies have now invested in leadership attribute work to build more effective leaders. This work identifies what leaders need to be, know, and do to succeed.

### KEY ELEMENTS OF LEADERSHIP ATTRIBUTES

Most of the items (personal character, knowledge, behaviors) found in these attribute models cluster into four overarching categories of what leaders need to be, know, and do: set direction, mobilize individual commitment, engender organizational capability, and demonstrate personal character. Figure 1-1 depicts this model. Figure 1-2 synthesizes these categories of ability and their contributing dimensions, behaviors, and actions possessed by most (if not all) successful leaders, as summarized below. (See the notes to Figure 1-2 for a listing of notable work done in this area.)

#### *Set direction.*

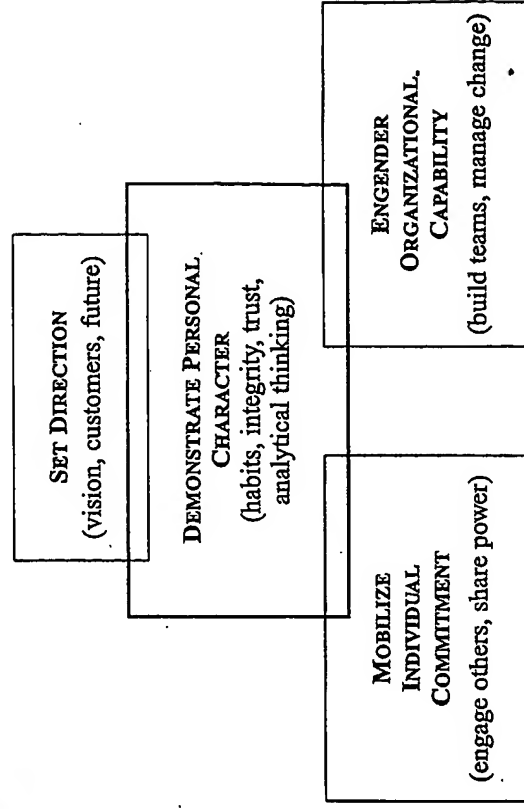
Leaders position their firms for and toward the future. Anticipating the future involves predicting and juggling numerous influences—among them, customers, technology, regulators, competitors, investors, and suppliers. Into this future state, leaders must position their firms so as to create a unique identity and build value for all stakeholders. Many terms characterize this future state: *vision, mission, strategy, aspiration, destination, foresight, values*, and so forth. Although each of these words means subtly different things, they all point to leaders defining the future of a company in ways that excite participation and allocate resources to make the future happen. Leaders who set direction know and do at least three things: understand external events, focus on the future, and turn vision into action.

#### *Mobilize individual commitment.*

Leaders turn vision into accomplishments by engaging others. They translate future aspirations into the day-to-day behaviors and actions required of each employee. Employees thus engaged become committed to meshing their actions with organizational goals, and they are dedicated to investing their mind, heart, and soul to organizational pursuits. Leaders striving for employee commitment must likewise expend valu-

FIGURE 1-1

### WHAT DO SUCCESSFUL LEADERS DO? SUMMARY OF LEADERSHIP ATTRIBUTE FRAMEWORKS



viduals and teams. To do this, leaders must build collaborative relationships; they must share power and authority; and they must manage attention. Leaders must help individuals see and feel how their contributions aid in accomplishing the goals of the organization.

#### *Engender organizational capability.*

Leaders build not only individual commitment but also organizational capability. Organizational capability refers to the processes, practices, and activities that create value for the organization.<sup>12</sup> Leaders need the ability to translate organizational direction into directives, vision into practice, and purpose into process. Capability represents the identity of the firm as perceived by both employees and customers. It requires leaders who demonstrate at least five abilities: to build an organizational infrastructure, leverage diversity, deploy teams, design human resource systems, and make change happen.

FIGURE 1-2

SUMMARY OF LEADERSHIP ATTRIBUTES

DIMENSIONS	EXEMPLAR BEHAVIORS OR ACTIONS To what extent do I do the following?
	SET DIRECTION
Understand external events	<ul style="list-style-type: none"> <li>• Exhibit strong customer orientation.<sup>a</sup></li> <li>• Think deeply and see new possibilities.<sup>b</sup></li> <li>• Have the vision, skills, and resources needed to form networks beyond the home base.<sup>c</sup></li> <li>• Dedicate resources to process innovations that improve customer productivity.</li> <li>• Consistently provide the organization a clear direction.</li> <li>• Demonstrate uncompromising environmental responsibility.</li> </ul>
Focus on the future	<ul style="list-style-type: none"> <li>• Exhibit conviction in creating a vision.<sup>d</sup></li> <li>• Articulate tangible vision, values, and strategy.<sup>e</sup></li> <li>• Craft a pathfinding mission.<sup>f</sup></li> <li>• Operate from a set of inspiring core values and beliefs.<sup>g</sup></li> <li>• Define, shape, and use core values.<sup>h</sup></li> <li>• Visualize the business through the customer's eyes.</li> <li>• Claim the future through reconnaissance, technology foresight, conceptual flexibility, vision, and strategic alignment, and by enhancing the company's image.</li> <li>• Think strategically.</li> </ul>

a. Arthur Yeung and Doug Ready, "Developing Leadership Capabilities of Global Corporations: A Comparative Study in Eight Nations," *Human Resource Management Journal* 34, no. 4 (1995): 529-548.

b. Rosabeth Kanter, "World-Class Leaders: The Power of Partnering," in *The Leader of the Future*, ed. Frances Hesselbein, Marshall Goldsmith, and Richard Beckhard (San Francisco: Jossey-Bass, 1995), 89-98.

c. *Ibid.*

d. Edgar Schein, "Leadership and Organizational Culture," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 59-70.

e. Yeung and Ready, "Developing Leadership Capabilities."

f. Stephen Covey, "Three Roles of the Leader in the New Paradigm," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 149-160.

g. Jac Fitz-enz, survey, Saratoga Institute, 1997.

h. James Heskett and Leonard Schlesinger, "Leaders Who Shape and Keep Performance-Oriented Culture," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 111-120.

DIMENSIONS	EXEMPLAR BEHAVIORS OR ACTIONS To what extent do I do the following?
	SET DIRECTION (continued)
Turn vision into action	<ul style="list-style-type: none"> <li>• Align performance with vision.<sup>i</sup></li> <li>• Inspire a shared vision.<sup>j</sup></li> <li>• Enlist others to attain a future state.</li> <li>• Transform strategy into results.</li> <li>• Inspire a shared purpose.</li> <li>• Create a climate for success.</li> </ul>
	MOBILIZE INDIVIDUAL COMMITMENT
Build collaborative relationships	<ul style="list-style-type: none"> <li>• Possess a love of people.</li> <li>• Have the ability to be alone, but also to work with others.<sup>k</sup></li> <li>• Cheerlead, support, and encourage more than judge, criticize, and evaluate.<sup>l</sup></li> <li>• Foster collaboration by promoting cooperative goals and building trust.<sup>m</sup></li> </ul>
Share power and authority	<ul style="list-style-type: none"> <li>• Demonstrate willingness and ability to share power and control.<sup>n</sup></li> <li>• Listen more than tell.<sup>o</sup></li> <li>• Possess willingness and ability to involve others and elicit participation.<sup>p</sup></li> <li>• Exert power through dignity.<sup>q</sup></li> </ul>

i. Kenneth Blanchard, "Turning the Organizational Pyramid Upside Down," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 81-88.

j. James Kouzes and Barry Posner, *The Leadership Challenge: How to Keep Getting Extraordinary Things Done in Organizations* (San Francisco: Jossey-Bass, 1995).

k. Charles Handy, "The New Language of Organizing and Its Implications for Leaders," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 3-10.

l. Blanchard, "Turning the Organizational Pyramid Upside Down."

m. Kouzes and Posner, *The Leadership Challenge*.

n. Schein, "Leadership and Organizational Culture."

o. Heskett and Schlesinger, "Leaders Who Shape and Keep Performance-Oriented Culture."

p. Schein, "Leadership and Organizational Culture."

q. Heskett and Schlesinger, "Leaders Who Shape and Keep Performance-Oriented Culture."

FIGURE 1-2

## SUMMARY OF LEADERSHIP ATTRIBUTES (continued)

DIMENSIONS	EXEMPLAR BEHAVIORS OR ACTIONS To what extent do I do the following?
MOBILIZE INDIVIDUAL COMMITMENT (continued)	
Share power and authority (continued)	<ul style="list-style-type: none"> <li>• Empower and engage employees.<sup>r</sup></li> <li>• Empower others to do their best.<sup>s</sup></li> <li>• Strengthen others by sharing power and information.<sup>t</sup></li> <li>• Use a variety of approaches to get the best out of everyone.</li> <li>• Create opportunities for people to contribute their strongest personal talents to the team effort.</li> </ul>
Manage attention	<ul style="list-style-type: none"> <li>• Manage energy and change people's physical state of being.<sup>u</sup></li> <li>• Use language to touch the heart.<sup>v</sup></li> <li>• Create emotion by generating . . .<sup>w</sup> <ul style="list-style-type: none"> <li>confidence in people who were frightened.</li> <li>certainty in people who were vacillating.</li> <li>action where there was hesitation.</li> <li>strength where there was weakness.</li> <li>expertise where there was floundering.</li> <li>courage where there was cowardice.</li> <li>optimism where there was cynicism.</li> </ul> </li> <li>conviction that the future will be better.</li> </ul>
ENGENDER ORGANIZATIONAL CAPABILITY	
Build organizational infrastructure	<ul style="list-style-type: none"> <li>• Demonstrate formal leadership capable of integrating, resourcing, and orchestrating activities of various project clusters.</li> <li>• Form ad hoc leadership as required within each of those project clusters.<sup>x</sup></li> </ul>

r. Covey, "Three Roles of the Leader in the New Paradigm."

s. Yeung and Ready, "Developing Leadership Capabilities of Global Corporations."

t. Kouzes and Posner, *The Leadership Challenge*.

u. Blanchard, "Turning the Organizational Pyramid Upside Down."

v. Heskett and Schlesinger, "Leaders Who Shape and Keep Performance-Oriented Culture."

w. Judith Bardwick, "Peacetime Management and Wartime Leadership," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 131-140.x. William Bridges, "Leading the De-Jobbed Organization," in Hesselbein, Goldsmith, and Beckhard, *The Leader of the Future*, 11-18.

DIMENSIONS	EXEMPLAR BEHAVIORS OR ACTIONS To what extent do I do the following?
ENGENDER ORGANIZATIONAL CAPABILITY (continued)	
	<ul style="list-style-type: none"> <li>• Align and ensure the match between organization and strategy.<sup>y</sup></li> <li>• Actively communicate a wide range of information to all employees.</li> <li>• Fully commit to a long-term strategy of building a valuable institution.</li> <li>• Provide encouragement and resources needed for continuous improvement.<sup>z</sup></li> <li>• Create enthusiastic support for the goals of the business.</li> </ul>
Leverage diversity	<ul style="list-style-type: none"> <li>• Show tolerance of diversity and intolerance of performance, standards, and values.</li> <li>• Not fear the strength in subordinates.<sup>aa</sup></li> <li>• Integrate different cultures, sectors, and disciplines.</li> <li>• Resolve conflicts diplomatically and find a common cause.<sup>bb</sup></li> <li>• Advocate partnering and collaboration as preferred styles of behavior.<sup>cc</sup></li> <li>• Fully utilize people, regardless of race, gender, ethnic origin, or culture.</li> </ul>
Deploy teams	<ul style="list-style-type: none"> <li>• Build self-managing project teams.<sup>dd</sup></li> <li>• Cross-fertilize and bring the best from one place to another.<sup>ee</sup></li> <li>• Select the most talented team members available.</li> <li>• Provide specific and frequent feedback that helps improve team performance.</li> <li>• Support the team even during a loss.</li> </ul>

y. Covey, "Three Roles of the Leader in the New Paradigm."

z. Jac Fitz-enz, survey.

aa. Peter F. Drucker, "Toward the New Organization," *Leader to Leader* 2, no. 3 (1997): 6-8.

bb. Kanter, "World-Class Leaders: The Power of Partnering."

cc. Jac Fitz-enz, survey.

dd. Bridges, "Leading the De-Jobbed Organization."

ee. Kanter, "World-Class Leaders: The Power of Partnering."

FIGURE 1-2

## SUMMARY OF LEADERSHIP ATTRIBUTES (continued)

DIMENSIONS	EXEMPLAR BEHAVIORS OR ACTIONS To what extent do I do the following?
ENGENDER ORGANIZATIONAL CAPABILITY (continued)	
Design human resource systems	<ul style="list-style-type: none"> <li>• Build or create culture.</li> <li>• Maintain and sustain culture.</li> <li>• Possess skills in analyzing cultural assumptions.<sup>ff</sup></li> <li>• Serve as a catalyst and manager of culture change.<sup>gg</sup></li> <li>• Consciously promote a clearly articulated, stimulating culture.<sup>hh</sup></li> </ul>
Make change happen	<ul style="list-style-type: none"> <li>• Make change happen and work as a change agent.<sup>ii</sup></li> <li>• Demonstrate the emotional strength to manage the anxiety caused by change.<sup>jj</sup></li> <li>• Serve as a catalyst and manager of strategic change.<sup>kk</sup></li> <li>• Search for opportunities by confronting and challenging the status quo.</li> <li>• Experiment and take risks.</li> <li>• Learn from mistakes and successes.<sup>ll</sup></li> <li>• Relentlessly seek simpler methods to provide customers with better products or services.</li> <li>• Look for opportunities in change rather than excuses for avoiding change.</li> <li>• Initiate change instead of reacting to external pressures for change.</li> <li>• Vigorously question the status quo.</li> <li>• Use the inputs and ideas of others as stimuli for change.</li> </ul>

ff. Schein, "Leadership and Organizational Culture."

gg. Yeung and Ready, "Developing Leadership Capabilities of Global Corporations."

hh. Jac Fitz-enz, survey.

ii. Schein, "Leadership and Organizational Culture."

jj. Ibid.

kk. Yeung and Ready, "Developing Leadership Capabilities of Global Corporations."

ll. Kouzes and Posner, *The Leadership Challenge*.

DIMENSIONS	EXEMPLAR BEHAVIORS OR ACTIONS To what extent do I do the following?
DEMONSTRATE PERSONAL CHARACTER	
Live values by practicing what is preached	<ul style="list-style-type: none"> <li>• Live the values of my unit.<sup>mm</sup></li> <li>• Submit myself to the mirror test and find comfort with the person there.<sup>nn</sup></li> <li>• Lead by example.</li> </ul>
Have and create a positive self-image	<ul style="list-style-type: none"> <li>• Possess a belief in oneself: self-confidence, with humility.<sup>oo</sup></li> <li>• Demonstrate extraordinary levels of perception and insight into the realities of the world and into group or unit members.</li> <li>• Exhibit extraordinary levels of motivation to enable group members to go through pain of learning and change.<sup>pp</sup></li> </ul>
Possess cognitive ability and personal charm	<ul style="list-style-type: none"> <li>• Have an open mind and reach out to partners.</li> <li>• Be receptive to information from outside the current framework.</li> <li>• Envision new, mold-breaking possibilities.<sup>qq</sup></li> <li>• Seek opportunities to learn.</li> <li>• Act with integrity.</li> <li>• Seek broad business knowledge.</li> <li>• Practice insight by seeing things from new angles.</li> <li>• Learn from mistakes.</li> <li>• Remain open to criticism.</li> <li>• Possess learning agility for self-knowledge; think through problems in fresh ways and try new things.<sup>rr</sup></li> <li>• Meet the challenge oneself to improve.</li> <li>• Deal effectively with complex, ambiguous, and contradictory situations.</li> <li>• Urge consideration of counterintuitive alternatives.</li> </ul>

mm. Heskett and Schlesinger, "Leaders Who Shape and Keep Performance-Oriented Culture."

nn. Drucker, "Toward the New Organization."

oo. Handy, "The New Language of Organizing and Its Implications for Leaders."

pp. Schein, "Leadership and Organizational Culture."

qq. Kanter, "World-Class Leaders: The Power of Partnering."

rr. Michael Lombardo and Robert Eichinger, "Learning Agility," working paper, Lominger, Minneapolis, 1997.

Leaders who fulfill these functions build organizational capability that outlives them and achieves more for the organization than could any one individual alone. *making a difference by and presence*

#### *Demonstrate personal character.*

Without doubt, leaders possess character. As scholar Warren Bennis has stated, "Let me state a personal bias that leadership is really a matter of character. The process of becoming a leader is no different than the process of becoming a fully integrated, healthy human being."<sup>13</sup> Followers need leaders they trust, relate to, and feel confidence in. Kouzes and Posner have called this factor "credibility," and they identify a number of contributing attributes such as honesty, ability to inspire, fair-mindedness, and supportiveness.<sup>14</sup> Leaders with character live the values of their firm by practicing what they preach; they possess and create in others a positive self-image; and they display high levels of cognitive ability and personal charm. Max DePree, former CEO at the office furniture company Herman Miller, describes the attributes of a desired leader: spirit, trust, love, grace, warmth, intimacy, and servant leadership. Such well-known leadership frameworks as those by Stephen Covey and Warren Bennis seem to focus on the leader's character as well.<sup>15</sup> Undoubtedly, as leaders develop the personal behaviors, habits, skills, and characteristics collectively known as *character*, they grow into more successful leaders.

Effective leadership requires acquiring knowledge and demonstrating behavior in each of the four categories. A company's ability to field leaders with attributes across the four categories matters more than ever before as competitiveness comes increasingly through the ability to source new talent and build leadership depth. The synthesis of this work in Figure 1-2 allows leaders to identify specific character, knowledge, and behavior required to be a better leader.

In recent years, reflections and research on leadership have improved the quality and use of leadership attribute models.<sup>16</sup> Leadership attributes have also been adapted to different business strategies, geographies, and industries. Leadership attributes have also been defined in behavioral terms which may then be assessed more accurately through 360-degree feedback mechanisms.<sup>17</sup> In many companies, leadership attributes have led to individual development plans in which leaders improve who they are, what they know, and what they do. Leadership attributes have been woven into performance improvement plans that affect compensation and thereby change behaviors.

Through improved leadership attribute models, leaders gain both the broad general qualities shared by all leaders and the particular skills needed to meet the leadership challenges presented by positions at any level and in any function, industry, or location. Clearly, some skills may be taught, others only experienced; some behaviors and attitudes may be learned, others may only be innately part of the leader's persona. Even in the latter cases, however, training often enhances an attribute enough to provide a compensatory balance for the leader's background.

#### THE PITFALLS OF LEADERSHIP ATTRIBUTE MODELS

Because we have defined effective leadership as *attributes × results*, it is critical that efforts to improve leadership attributes have as much impact as possible. Before presenting a more inclusive leadership model focusing on results and showing how to connect attributes to results, six concerns of many leadership attribute models merit attention. Although an increasing percentage of thoughtful and well-created attribute models overcome these concerns, some firms and leaders continue to fall prey to these attribute pitfalls. Overcoming these traps ensures higher quality attribute models and overall leadership effectiveness.

#### *Future is more important than past.*

Many leadership attribute models emerge by separating high from moderate or lower performers and analyzing the distinguishing character, knowledge, and behaviors of the two groups. Although such work offers valid and reliable distinctions between high and low performers, it may still be flawed. Both groups work in the present, under prevailing conditions and strategies, so the picture derived of desired leadership attributes will be rooted in the present, not the future. Current high performers may be moderate or low performers in the future when the work world changes so quickly and the half-life of knowledge grows ever shorter in most professions, requiring even high performers to unlearn what they know and do. This trap may be avoided by focusing on the future and by anticipating desired attributes rather than relying on past or present attributes.

*\* Tailored attribute models are more important than generic models.*  
Although many firms deploying leadership attribute models claim to craft unique and tailored leadership models, they often rely on guidance from either the same few consulting firms or a few popular models

of leadership. As a result, although firms hope to provide unique models, these models often resemble each other regardless of significant differences in industry and strategy. The attributes derived from a leadership model should reflect the unique challenges of a firm. This may be done by concentrating the modeling effort on business requirements, not on broadly expressed statements of managerial excellence.

*Behavior-based attribute models are more effective than theory-based models.*

Although many leadership attribute models have focused increasingly on behaviors, not all have. Some models continue to describe attributes generically, in terms of concepts such as "deals with ambiguity" or "possesses integrity." Such concepts may have meaning, but they are useful and measurable only when turned into specific behaviors. Behavior-based leadership attribute models have the power to build leadership excellence and effect change; concept-based ones do not. Creating behaviorally anchored models comes by specifying observable actions that leaders must do more and less of to demonstrate a competence. The concept "possesses integrity" may be recast as the specific behavior "does not give or receive bribes or side payments of any kind for any work."

*Line-created and -owned attribute models are more important than HR-created models.*

HR-created attribute models have less impact than line-created and -owned models. The task of creating a leadership attribute model often falls solely to an HR professional on staff, a team of HR professionals, or contracted consultants. When they devise and present a finished model to an executive committee for approval, the work, although valid and based on solid research, often lacks the impact of models produced through line management participation. Leaders, managers, and employees usually all relate and commit more to models that bear the stamp of authentic experience. Heavily involving line managers in crafting attribute models increases their commitment to them.

*Leadership attribute models need to be used, not just created.*

For many leadership attribute models and initiatives, 80 percent of the energy goes into their creation and only 20 percent into their deployment. Deployment deals with how the leadership attributes

impact staffing, training, compensation, communication, and other management practices. Too often the leadership attributes, once identified and termed in behavioral terms, fail to impact these managerial practices. This may be overcome by requiring that leadership attributes become the basis for staffing, training, and compensation decisions.

*Leadership attribute models must define qualities of all leaders, not just those at the top echelon.*

Many, if not most, leadership attribute models focus on the CEO or some other equally visible top leader.<sup>18</sup> The attributes of these senior executives become the basis for what defines good or effective leadership. These models imply that only CEOs (or other top officers) reach the pinnacle of leadership effectiveness, as they have of the hierarchy, and they suggest that these leaders' attributes should be emulated by everyone in the organization. It is, of course, necessary to have effective leaders at the top, but it is not enough for organizational leadership. Effective leadership resides at all levels of the organization. Good leadership models must take into account the kinds of skills and qualities necessary for leaders throughout the organization.

Awareness of these pitfalls improves the validity and usefulness of any leadership attribute model. But even if these concerns were totally resolved for every existing leadership attribute model, they would not produce the quality of leadership necessary for successful, competitive firms. Such models contain a more fundamental, unremediable flaw: they fail to account for the leader's responsibility to produce results, thus dealing with only half of the leadership equation:  $attributes \times results$ .

## *Building Better Leaders through Results*

A leader's job requires more than character, knowledge, and action; it also demands results. Even with more refined and empirical models of leadership attributes, such shopping ventures, while seductive in their seeming ease, may mislead leaders and lack sufficient focus on the importance and nature of results.

To move forward on the dialogue about what makes an effective leader, attributes need to connect to results. This means more than positing that a set of attributes might lead to results; it means explicitly focusing on the desired results and linking specific attributes to those



In one division, HP created an initiative called "bridging the leadership gap," in which the leaders attended to the results they had to accomplish. A group of senior operating managers focused first on the results required for each leader in the division. After discussing the strategy of the business, the leaders converged on the results each had to accomplish for the strategy to happen. To ensure clarity and unity around results, each of the top leaders wrote down an answer to the question: What are the results we must attain for this division to succeed? Without clear unity on this question, they could not have a results orientation. With results specified, then knowledge and behaviors of each leader were stipulated. With this information, investments were made to create better leaders through training courses and development experiences.

At Southern Company, a global electric utility firm, leaders used to work in a regulated environment with a high focus on results, measured in terms of providing reliable service, high safety, and good community relations. As the environment changed to a more competitive market where price and customer service become drivers for success, new leadership results were required, focused on market conditions and more flexibility in the organization. Southern Company has created leaders who achieve results in the right way through courses at Southern Company College on market economics, understanding utility costs, and leadership for results, and through performance expectations in which the focus shifted to shared goals around business results and creating a plan to achieve those results. Its senior leaders felt that if the attributes of leaders did not increase the results required in the new competitive environment, then its leadership models fell short. Southern's management practices have attempted to balance the "what" (results expected of leaders) with the "how" (attributes of leaders).

In nonbusiness settings, a results-based leadership also applies. When Belinda Woodson became principal of Bingham Middle School in Kansas City, the school had a dismal reputation because of lack of discipline, expectations, and goals. As principal, she first identified the results she wanted for the school, including student safety, a learning environment, and a common vision that all students "can behave and can learn." As she hired administrators and faculty, she continually explored their understanding of and commitment to these results. She derived measures of each result which she shared monthly with all staff.

results. Attention to leadership results will repay its costs in time and effort many times over in raising the overall quality and effectiveness of a firm's leaders. Such attention will also refine and refocus leadership attributes in ways that ensure that they deliver value.

Major corporations worldwide recognize this and are beginning to implement leadership development programs aimed specifically at bridging the divide between attributes and results, to produce leaders who are thoughtful, sensitive, and supportive, but also productive. Under Human Resources Vice President Vicky Farrow, Lucent Technologies has begun a vigorous campaign to build results-based leaders. Managers at all levels devising personal leadership agendas as part of their career plans are first asked, "What results do you need to achieve?" The leader thus zeros in on business strategy, ways to make the strategy happen, and how to attain balanced results consistent with the strategy. Farrow then asks, "On a scale of 0 to 100, how able are you to produce these results today?" The leader thus must examine his or her readiness and ability to deliver the results. Farrow's respondents usually place themselves between 60 and 70 on the scale. Her last question, "What must you learn and do to make these results happen?" helps leaders to recognize the character, knowledge, and behaviors they must pursue if they are to achieve their desired results. By engaging in this process, she ensures that leaders connect who they are, what they know, and what they do to the results they must deliver.

Hewlett-Packard holds leaders throughout the firm accountable not only for the behaviors they exhibit, but also for the results they accomplish. Results cascade from the top of the company through every leader in the company. Each year, Lew Platt, the chief executive officer, articulates the company's priorities through his critical Hoshins, or overarching breakthrough goals for the company. Recently, HP had two corporate Hoshins, one on customers and the other on people. The customer Hoshin works to improve customer loyalty and satisfaction by closing the gap between customer expectations and HP's ability to meet them. The people Hoshin states, "HP's primary sustainable competitive advantage is our ability to create an environment which attracts, develops, and retains highly talented people." This Hoshin focuses on HP's becoming "the best place to work" and the "employer of choice" through valuing diversity, fostering a commitment to continuous learning and career self-reliance, helping employees manage work/life activ-

Bimonthly faculty meetings had a “teaching and learning” segment in which progress toward goals was reviewed. When staff met these measures, she awarded prizes (teacher of the month, food certificates, office chairs, and so forth), either individually or collectively.

In each of these cases, leaders’ attention focused on both what to accomplish (results) and how to accomplish it (attributes). Now is the time to balance that attention with renewed focus on the definition and accomplishment of results. When leaders fail to exhibit concern for results, however many attributes they possess, they will ultimately be ineffective and their tenures unproductive.

Analysis and research on leadership attributes must, of course, continue. But in themselves, they are incomplete. Yet measuring results without understanding who the leaders are, what they know, and what they do that delivers the results would be equally incomplete. Understanding and measurement of both the attributes and the results of effective leaders are necessary to fulfill the goal of improving leadership quality.

Simply stated, the leadership pendulum, which has in recent years swung too far to the attribute side of the equation and stayed there too long, must start its return swing toward the results term of the equation. But this time leaders need to find a natural connection between attributes and results.

Leaders exhibiting attributes without results have ideas without substance. They teach what they have not learned. They can talk a good scenario and even act on sound general principles, but they fail to deliver. The means—attributes—have become their end. Often popular because of their charm or charisma, they are not long remembered because their leadership depended more on who they are and how they behave than on what they accomplish. Leaders who get results but lack attributes often find their successes short-lived. These leaders achieve without knowing why and can therefore neither replicate their successes nor learn from them. Because for them the end justifies the means, their results often vaporize without a lasting trace. Those lacking attributes may have the raw ability of geniuses, but character flaws inhibit their ability to lead. They repel others, make fatal mistakes, or burn themselves out. Successful leaders get lasting results by aligning attributes with intended outcomes.

Remember: *Effective leadership* = *attributes* × *results*.

## Benefits of Results-Based Leadership

The positive effects of results-based leadership can be realized everywhere throughout an organization—on the assembly floor and the delivery dock, in the cafeteria and the accounting department, by the planning department and the chief executive. Leaders at all levels need to get results. Results-based leadership frees productivity from the constraints of hierarchy and the limitations of position.

Results-based leaders must continually ask and answer the question—“What is wanted?”—before they decide how to do it. Leaders who act without full knowledge of the results required may work harder but accomplish less. Results-based leaders define results by understanding audience or customer needs and how they can be met.

Results-based leaders define their roles in terms of practical action. They articulate what they want to accomplish and thus make their agendas clear and meaningful to others. Employees willingly follow leaders who know both who they are (their own attributes) and what they are doing (their targeted results). Such leaders instill confidence and inspire trust in others because they are direct, focused, and consistent.

Results-based leaders assess their effectiveness by measuring achievements against goals. Without a results focus, calibration of leadership becomes extremely difficult. Measuring results helps organizations in many ways, from tracking leaders’ individual growth, to comparing leadership effectiveness in similar roles, to clarifying the leader selection processes, to structuring leadership development programs. Using results as the standard filters who should enter an organization and how they should be trained. Ultimately, a results focus should help every leader turn attributes into outcomes.

Studies of the link between results and effective leadership have been done before. In one of the most useful, Steve Kerr and his colleagues studied what they called “substitutes for leadership.”<sup>19</sup> They began with the assumption that, to get results, two things were necessary among employees in any situation: skills and motivation. Under circumstances where those working to produce results possess both skills and motivation, the leader’s job is to do little or nothing; substitutes for leadership exist. But in other settings and for a host of reasons, employees may lack either skills or motivation, so the leader’s



job in getting results is to provide the skills and motivation to get the job done. Such leaders are results based: they focus on both the results required and on what needs to be done to achieve results, and they get the job done.

This book will help any leader or aspiring leader to find the balance and connection between attributes and results that will open the way to improved effectiveness and productivity. To do so, it helps leaders answer the following key questions:

#### *What personal attributes do I need to be an effective leader?*

Successful leaders need to be, know, and do four things: set direction, mobilize individual commitment, engender organizational capability, and demonstrate personal competence. The discussion, figures, and references in this chapter synthesize some of the useful work on leadership attributes and may serve as a starting point for assessing oneself or others. This chapter also suggests traps that must be avoided in many current attribute models.

#### *How do I know if I am an effective leader?*

The measure of an effective leader can be found in this simple equation: *Effective leadership = attributes × results*. Tools for assessing and building attributes (Figure 1-2) and results appear throughout the book, but especially in Chapters 2 through 6. Chapter 7 summarizes the tools and actions that can best serve leaders striving to be more effective by focusing on results.

#### *If leadership requires a results focus, how do I determine what those results should be?*

Chapter 2 describes desired results, the necessity of aligning them with strategy, and the need to balance them across the four key stakeholders: employees, organization, customers, and investors. To achieve results, leaders must create value in each of these four areas. Serving only employees, for example, yields committed employees, but organizations that fail also to serve customers or to meet investor goals will not be successful.

#### *How do I balance apparently conflicting results?*

Balancing the four results requires aligning the results to organization strategy (see Chapter 2). A clear strategy rings like a clarion, signaling to employees, customers, and investors where the organization

can best deploy its energy and resources. An equally clear picture will emerge of which results demand more and which results can slide by with less leadership attention.

#### *How can I define, put into operation, and measure my results?*

Chapters 3 through 6 offer diagnostic tools for employee, organization, customer, and investor results, respectively, that leaders use to define results and assess their achievements. Each chapter proposes a conceptual framework to describe results, illustrates how leaders achieve these results, and offers specific tools, all of which are of proven usefulness.

#### *Once I know the results I need to achieve, how do I make them happen?*

The fourteen specific actions described in Chapter 7 can help leaders make results a major part of their leadership equation, at whatever level they function in their companies.

#### *How can leaders in my organization ensure that other leaders also produce results?*

Leaders who get results themselves but fail to pass on the requisite skills and motivation to do so to others coming after them will have failed their companies. Chapter 8 discusses the importance of leaders building leaders. Senior executives, chief learning officers—all leaders in fact—must accept the responsibility and challenge of building the next generation of results-based leaders. Only in this way can corporate vision become stance, goals become achievements, potential become success. Personally qualified leaders who get results while fostering their companies' future, in the form of its people, create strong, healthy, productive, competitive organizations.

## **Conclusion**

Posing and answering these questions shifts the focus on leadership to a balance of, and connection between, attributes and results. By so doing, this book makes a bold statement about the next generation of leadership thinking. This does not mean less attention to the leader's attributes, but it does mean making sure that leaders understand and commit to the results they must produce—and how they are produced.

## Appendix A

### The GE Leadership Effectiveness Survey

#### RATING SCALE:

Significant Development Need    1    2    3    4    5    Outstanding Strength

CHARACTERISTIC	PERFORMANCE CRITERIA
Vision	<ul style="list-style-type: none"> <li>• Has developed and communicated a clear, simple, customer-focused vision/direction for the organization.</li> <li>• Forward-thinking, stretches horizons, challenges imaginations.</li> <li>• Inspires and energizes others to commit to Vision. Captures minds. Leads by example.</li> <li>• As appropriate, updates Vision to reflect constant and accelerating change impacting the business.</li> </ul>
Customer/Quality Focus	<ul style="list-style-type: none"> <li>• Listens to customer and assigns the highest priority to customer satisfaction, including internal customers.</li> <li>• Inspires and demonstrates a passion for excellence in every aspect of work.</li> <li>• Strives to fulfill commitment to Quality in total product/service offering.</li> <li>• Lives Customer Service and creates service mind-set throughout organization.</li> </ul>
Integrity	<ul style="list-style-type: none"> <li>• Maintains unequivocal commitment to honesty/truth in every facet of behavior.</li> <li>• Follows through on commitments; assumes responsibility for own mistakes.</li> <li>• Practices absolute conformance with company policies embodying GEI&amp;PS commitment to ethical conduct.</li> <li>• Actions and behaviors are consistent with words. Absolutely trusted by others.</li> </ul>

CHARACTERISTIC	PERFORMANCE CRITERIA
Accountability/Commitment	<ul style="list-style-type: none"> <li>• Sets and meets aggressive commitments to achieve business objectives.</li> <li>• Demonstrates courage/self-confidence to stand up for beliefs, ideas, co-workers.</li> <li>• Fair and compassionate yet willing to make difficult decisions.</li> <li>• Demonstrates uncompromising responsibility for preventing harm to the environment.</li> </ul>
Communication/Influence	<ul style="list-style-type: none"> <li>• Communicates in open, candid, clear, complete, and consistent manner—invites response/dissent.</li> <li>• Listens effectively and probes for new ideas.</li> <li>• Uses facts and rational arguments to influence and persuade.</li> <li>• Breaks down barriers and develops influential relationships across teams, functions, and layers.</li> </ul>
Shared Ownership/Boundaryless	<ul style="list-style-type: none"> <li>• Self-confidence to share information across traditional boundaries and be open to new ideas.</li> <li>• Encourages/promotes shared ownership for Team Vision and goals.</li> <li>• Trusts others; encourages risk taking and boundaryless behavior.</li> <li>• Champions Work-Out as a vehicle for everyone to be heard. Open to ideas from anywhere.</li> </ul>
Team Builder/Empowerment	<ul style="list-style-type: none"> <li>• Selects talented people; provides coaching and feedback to develop team members to fullest potential.</li> <li>• Delegates whole tasks; empowers team to maximize effectiveness. Is personally a Team Player.</li> <li>• Recognizes and rewards achievement. Creates positive/enjoyable work environment.</li> <li>• Fully utilizes diversity of team members (cultural, race, gender) to achieve business success.</li> </ul>

CHARACTERISTIC	PERFORMANCE CRITERIA
Knowledge/ Expertise/ Intellect	<ul style="list-style-type: none"> <li>• Possesses and readily shares functional/technical knowledge and expertise. Constant interest in learning.</li> <li>• Demonstrates broad business knowledge/perspective with cross-functional/multicultural awareness.</li> <li>• Makes good decisions with limited data. Applies intellect to the fullest.</li> <li>• Quickly sorts relevant from irrelevant information, grasps essentials of complex issues and initiates action.</li> </ul>
Initiative/Speed	<ul style="list-style-type: none"> <li>• Creates real and positive change. Sees change as an Opportunity.</li> <li>• Anticipates problems and initiates new and better ways of doing things.</li> <li>• Hates/avoids/eliminates "bureaucracy" and strives for brevity, simplicity, clarity.</li> <li>• Understands and uses speed as a competitive advantage.</li> </ul>
Global Mind-set	<ul style="list-style-type: none"> <li>• Demonstrates global awareness/sensitivity and is comfortable building diverse/global teams.</li> <li>• Values and promotes full utilization of global and work force diversity.</li> <li>• Considers the global consequences of every decision. Proactively seeks global knowledge.</li> <li>• Treats everyone with dignity, trust, and respect.</li> </ul>

Source: *CEO Magazine*, July-August 1993, 40. Reprinted courtesy of General Electric.

EXHIBIT

tabbies

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Something is holding your company back, but no one wants to go near...

# The Thing in the Bushes

*Turning Organizational Blind Spots  
into Competitive Advantage*



The Thing in the Bushes

Keyna Graham Ford

few hated it. (Some people won't like everything you do, even if it's the right thing to do.)

All in all, the exercises did get people to communicate and relate to each other. The entire retreat moved people out of their comfort zones, and that was exactly the point: to get people to move out of isolation and into relating with each other and communicating with each other. As a result, the organization has changed dramatically. We check back with Heloise Jenkins, the executive vice president, every so often to make sure it continues to move forward, and she assures us that it's a totally new place. They've even remodeled the whole office, from the reception room to "The Vault."

If you want to change an organization, you must begin with the members of that organization. Organizations change when people change.

# 3 UNLEASH LEADERSHIP IN EVERYONE

## EXECUTIVE SUMMARY

Relational Performance requires healthy leadership. Most people regard leadership as an elusive, intangible quality—you are either a born leader or you are not. But the Relational Performance model shows that (1) leadership is for every member of the organization and (2) leadership can be taught and learned. The key is to differentiate between the concepts of *leader* and *leadership*. A leader is a person endowed with certain characteristics, attributes, or positions; leadership is based on a set of skills that can be developed throughout an organization. The Thing in the Bushes is often found in the failure to distinguish between these concepts.

Relational Performance means that *every member exercises leadership*. Today, new forms of leadership are replacing the old pyramid-shaped hierarchy. Power has faded in importance compared with qualities of character, influence, and relational ability. Leadership is decentralized and leadership roles are apportioned throughout the organization. While old-style hierarchy is rigid and slow to adapt to change, relational networks are fluid and resilient.

Today's leadership is found in the center of relational webs, anchoring the information network and maintaining direct contact with

employees from all levels of the organization. People who occupy leadership positions do not "boss" their subordinates; they encourage the exercise of leadership abilities at every level of the organization.

There are essentially two forms of leadership: transactional and transformational. Transactional leadership achieves its end by mutual exchanges or transactions: "If you perform these duties, I will pay you X dollars." Transformational leadership seeks to align the inner life of the follower—his or her emotions, motives, goals, desires, and values—with the organizational goals and code. Transformational leadership is visionary and proactive; it connects through communication. Transformational leadership doesn't grasp power; it shares power. Transformational leaders "walk the talk" by demonstrating character traits of integrity, honor, self-discipline, caring, commitment, and good humor. They don't just serve themselves; they serve others and they serve the organization. Wise leadership tolerates a dynamic, horizontal networking process while maintaining enough hierarchy to ensure focus and accountability.



In 1998, we got a call from Don Larsen, president and CEO of the Greenlake Savings Bank in Greenlake, Minnesota. When Don called, we could tell that he had thoroughly researched our firm. He knew more about TAG than we did! His company had just undergone a conversion from an educational employees credit union to a savings bank.

In the course of that change, Greenlake Bank's entire customer base had expanded. Whereas it had once served only teachers and a few select employee groups (SEGs), Greenlake Bank now served the community at large. Greenlake had made the change in order to keep its present customer base in the face of a legal action launched by state-chartered banks, attempting to strip credit unions of their customers who were part of SEGs. So Greenlake had skirted one threat to its existence, only to find that the company faced new and equally threatening problems. It no longer enjoyed the advantages of being a cooperative-based credit union—advantages such as not-for-profit status and a loyal membership base.

Already, some of Don's customers were beginning to defect, because they were losing that sense of member ownership found in a credit union. "If I'd wanted my money in a *bank*," said some customers as they closed their accounts, "I'd have *put* it in a bank." Don's company needed to make some important decisions—fast.

Don had a lot to consider: How do we meet the needs of an entire rural community? What should our niche be? Should we move to online banking? Should we continue courting educational employees, or should we redefine our target clientele? Don asked us: to help Greenlake conduct a demographic study and formulate a business plan.

We agreed to do focus groups and a quantitative survey. We looked at the service needs of the community. Would it be more appropriate to offer banking from home PCs, more ATMs, or kiosk sites, or should Greenlake simply build more brick-and-mortar branches? We segmented the Greenlake community by age, income, spending habits, travel patterns, and so forth. It was a very thorough survey.

But as we were conducting our survey, a problem emerged. Don would call our office, sometimes several calls a day. He gave us advice at every turn. He didn't merely offer ideas or suggestions or information—he seemed to be trying to do our job for us. Understand, Don is a very nice, warm, cordial man, but as time went on, his intrusions became seriously annoying. After all, he hired us to do this job, and he had selected us because (as he himself put it) he had checked every consultant group in the book and he thought we were the best suited to meet his needs. So why, if he had such a high opinion of us, was he trying to micromanage our every move? It was The Thing in the Bushes again.

Don had come to us with an Identified Problem, but the Identified Problem was not the *real* problem. The real problem, The Thing in the Bushes, was the unidentified, unspoken, denied problem that lurked in Don's blind spot, in the shadow side of the Greenlake Bank organization. We sensed that The Thing in the Bushes at Greenlake had something to do with the way Don kept intruding into our business, our attempt to help him. We decided that the best way to flush The Thing out into the open was to simply present Don with the problem and ask him what gives. So at our next face-to-face meeting in Minnesota, we asked him why he was micromanaging the survey process.

His eyebrows went up in astonishment. "Micromanaging? Me? I'm not a meddlesome sort of person. Fact is, I can't stand that kind of person!"

"Well," we said, "that's what we feel has been going on. You've been calling every day, checking on every detail . . ."

"Oh, that!" Don laughed. "I just wanted to be helpful. I mean, you're out there in the Washington, D.C., area and I'm here on-site in Minnesota. I think I know a little bit about my own community, after all. I just wanted to help you fellas any way I could."

"We appreciate your good intentions," we replied, "But you know, every executive who micromanages his business is trying to be helpful,



but sometimes well-meaning executives can help their organizations right into bankruptcy."

"Well, I certainly don't want to do that," Don said jovially. "Tell you what. I'll back off a bit, let you and your people do your job, and I'm sure everything's going to work out fine."

So Don's calls dropped off to about two or three a week, and we finished the demographic study and the business plan. The Thing in the Bushes had reared its ugly head—but we had met it face-on, and it turned tail and skedaddled.

A few months passed, and we moved on to other consultations with other companies. One day our phone rang, and it was Don. He sounded worried. "We've got some problems here," he said. "The state examiner told us that we've got the best business plan he's ever seen. Trouble is, we've never been able to implement it."

"What do you think is wrong?"

"Well, I think maybe it's me," Don said. "Maybe I'm the one holding up the show."

It was The Thing in the Bushes—and it was back again at Greenlake Bank. Or more likely, it never left. We had chased The Thing into hiding, but it was still alive and lurking in the leadership style of Greenlake's CEO.

## New Leadership for a New Millennium

Relational Performance requires healthy leadership.

Most people regard leadership as an elusive, intangible quality: "either you got it or you ain't." Few people could articulate the specific reasons why this person has leadership and that one doesn't. Yet we all know a leader when we see one. A leader is that person we just trust and respect, and often even a person we just *like* so much that we would follow him or her anywhere. That person describes a vision, and immediately it becomes *our* vision. That person articulates a plan, and we instantly buy into it. That person sets a goal, and we want to reach it.

Can we analyze a person's ability to reach us and move us and inspire our greatest effort? Yes, we can. The key is to differentiate between the two concepts "leader" and "leadership." A *leader* is a person endowed with certain characteristics, attributes, or positions. These are often linked to personality traits or offices held. And let's face it, many people

*Handwritten signature/initials*

of power. But *leadership* is different. It is based on a set of skills that can be developed throughout an organization.

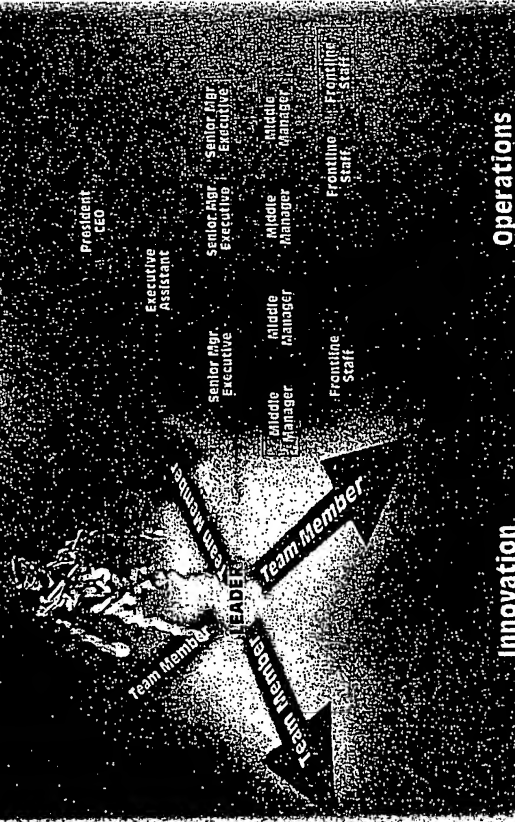
Yes, leadership is a mysterious and elusive concept—*until we learn what makes leadership effective*. Leadership *can* be demystified; it *can* be understood; and it *can* be learned. In fact, it must be, because the success of organizations in the twenty-first century depends on their ability to develop leadership at all levels of the organization. In the thriving organizations of the new millennium, *every member exercises leadership*. Organizations that fail to grasp this all-important truth are doomed to mediocrity and decline.

The world has profoundly changed with the arrival of the Information Age and the virtual organization. New forms of leadership are replacing the old top-down model in organizational structures. In the past, power and authority were the requisite traits of an effective leader. It was always assumed that power should be exercised (often through fear and domination) in a pyramid-shaped hierarchy. Today, power has faded in importance compared with qualities of character, influence, and relational ability.

Organizations that thrive today treat the workforce as human beings rather than cogs in a machine. Leadership is decentralized and leadership roles are apportioned throughout the organization. Hierarchy is rigid and slow to respond to change; relational networks are fluid and resilient. When every member is able to exercise leadership in his or her own sphere of operation, the organization as a whole becomes flexible and agile enough to navigate the white-water rapids of change.

Hierarchy has been replaced by a web-like network of interlocking relationships. Whereas the leader in an old-style hierarchy used to sit atop the Mount Olympus of the organization, with information flowing up and orders flowing down the chain of command, today's leadership is found in the center of relational webs, anchoring the information network and maintaining direct contact with employees from all levels of the organization. People who occupy leadership positions do not micromanage or "boss" their subordinates; they encourage the development and exercise of leadership abilities *at every level of the organization*, from veeps and managers all the way down through the ranks. Wise leadership is able to tolerate a dynamic, horizontal networking process while maintaining enough hierarchy to ensure focus and accountability.

## Everyone Exercises Leadership



### The Greenlake Bank Story, Continued . . .

We went to Minnesota to resolve the leadership problem that threatened Greenlake's future. We began by interviewing various people in the organization. "I feel like I can never do anything right," the vice president of lending told us. She seemed very competent, but stressed and distraught. "Don's always suggesting better ways to run the loan department or new ideas for marketing consumer loans. He's always in my office, looking over my shoulder, hanging around when I'm on the phone or trying to work. If I hint around that he's making it hard for me to get my work done, he just says, 'Don't mind me; I'm just here to help.' I'm very good at what I do, but when Don's around, I feel he thinks of me as a hopeless screw-up who can't do anything without being watched all the time."

Next was the CFO. He came to work every morning and shut his door until lunchtime. Why? "Don always likes to remind me of his 'background in accounting,'" he explained. "If I leave my door open, he just walks right in and starts going over the current financials. After he leaves it takes me an hour to put everything back the way it was. He

always tells me he's just trying to be helpful, and he's a nice guy and all—but I just can't get anything done when Don's around."

As we went from office to office, interviewing the top people in the Greenlake organization, we heard variations on the same theme. They all shut their office doors just to keep Don out. They lived in mortal fear that he would stroll in with a few more of his helpful suggestions. The well-intentioned president and CEO of Greenlake had created a climate of fear: No one interacted with anyone else in the organization. Everyone lived behind a shut door, furiously trying to get as much work done as possible before Don stuck his head in the door. Every person dreaded coming to work in the morning and left as soon as the clock struck five. Morale was in the tank.

Finally, we sat down with Don—and he repeated the same question he had asked us on the phone. "So tell me," he said, "what's wrong with this company? Is it me? Am I holding up the show?"

The Thing in the Bushes had been treed.

### Leveling the Pyramid

Top-down pyramidal hierarchies are predominantly yesterday's leadership model. They work well in environments where tasks rarely change and where conformity is critical. But in most businesses in the new economy, such hierarchies, even in the hands of a benevolent and caring dictator like Don Larsen, are flawed by their inflexibility and their tendency to stifle creativity and initiative. In the hands of an uncaring despot, such hierarchies are downright dehumanizing and destructive.

In the slower-paced world of the past few centuries, hierarchical leadership survived because organizations didn't need to be flexible and fluid; they didn't need to adapt quickly to changing situations. But in today's world, where the volume of information doubles every eighteen months, the inability to respond to changing situations with creativity, imagination, and ingenuity can be fatal. An organization must be able to draw upon the full energies and abilities of all its members, and it must be able to adjust to evolving circumstances. Instead of dictating from the top of the pyramid, today's leaders must lead within a *relational network*, from the center of a web of relationships.

The old military-style hierarchical leadership model was about attaining rank and status, issuing orders to underlings, and inflicting penalties on those underlings when they failed or disobeyed. This military model was commonly in use even in civilian organizations until



very recently. Today, however, employees have more leverage, freedom, and career mobility. If they don't like the way they are treated by Organization A, they can just move down the street to Organization B. So effective leadership today does not mean being a boss—it means building good relationships. Leadership is the product of good character plus good people skills.

Are some people born leaders? No question. But can leadership be learned by those who are *not* born leaders? Absolutely. We now know that leadership can be *learned* and that means it can be *taught*. Leadership ability is an acquired skill, and the effective organization is the one that has learned to teach that skill to *all* its members at *every* level of the organization. Leadership at the center of the relational web means that the person at the center of relationships is exercising a leadership role *even if the organizational chart doesn't reflect it*. Organizations that refuse to recognize this shift to a new leadership paradigm will not be able to compete. They will collapse due to the sheer weight and inflexibility of their hierarchical structures.

We often work with organizations where the CEO tries to hold on to power through position, while another senior exec or mid-level manager is the person who truly interacts with the members of the organization all day long. The CEO may have the brass plate on his or her office door and he or she may have the big window overlooking the city. But the people in the organization don't look to him or her for leadership and guidance; in fact, they tend to look upon him or her with cynicism. They see him or her as a figurehead, not as their leader. They look to that senior exec or mid-level manager who is the actual leader in most day-to-day situations.

So who leads? *Everyone* leads. Sounds like a prescription for chaos, you say? No, it's a prescription for Relational Performance.

Even in the military culture, where the tradition of top-down pyramidal leadership has held sway for thousands of years, there is a growing understanding that this is a new era with new imperatives for effective leadership. *The Washington Post* documented this paradigm shift in a front-page story headlined "Point Men for the Revolution: Can the Marines survive a shift from hierarchies to networks." The story described the amazing shift now occurring in today's military leadership—a shift brought about by new communication technologies.

Strapped to the chest of the Marine squad leader is a small computer that can be activated and linked via satellite to a global communications network. Instantly, that Marine's position and status can be known by his leaders anywhere on the globe. They know everything he

is doing and facing in the field. That information can be added to input from hundreds of other squad leaders, giving Marine commanders unprecedented information flow, flexibility, and adaptability. Generals now have a God's-eye view of the entire battle situation, lifting that age-old nemesis "the fog of war," so that leaders can see the overall patterns of a battle as it unfolds in real time.

Meanwhile, the flow of power and decision making has been forever altered. The Marine on the ground has much more responsibility than his counterparts in past eras. One nineteen-year-old soldier with a field computer at his fingertips can call down an incredible amount of firepower. The final result of this technology-driven transition from hierarchy to network leadership patterns remains to be seen. What happens to the mid-level management personnel—the sergeants and majors of the corps? Will they be needed in the future, or will the new communication technologies replace an entire layer of battle-zone bureaucracy? Will the Marines make a successful transition from a rigid structure of hierarchical roles to an adaptive, self-organizing network that can react swiftly and change with changing situations? Only time will tell.

But it is clear that the new communication technology is transforming the way the Marines carry out their mission. The Information Age is leveling pyramids, destroying hierarchies, and ushering in the age of relational networks. As we write this book, TAG is leading the U.S. Army staff through a similar transformation.

Organizations today are being transformed by communication network technologies: cellular phones, the Internet, e-mail, satellite communication, video conferencing, interactive television, and more. These technologies are linking people together in new ways, and organizational leaders must learn to respond to these changes and lead in new ways.

Relational networks are vastly superior to hierarchies in satisfying customer needs and responding to market demands. There are things about your business or organization that you, as a leader, will not know. You can't know, because you're in the corner office, not on the frontlines. The frontline workers look the public in the eye every day. They listen to the public's complaints and compliments. They hear the reaction when you change a price or remove an item from the shelves or cut back on a service. That's vital information. Your survival depends on that piece of knowledge. Information does not flow easily or rapidly through the layers of a chain of command; in fact, hierarchies tend to block the flow of vital information.

The network mentality of the Information Age is changing all of this. The term "Internet time" has entered the language, signifying the blinding

rate of speed at which change occurs. Just as electronic networks speed the flow of electronic information, informal, flexible *human* networks speed the flow of vital information within an organization. Informal human networks are not about processing speed and baud rates; they are about trust, healthy boundaries, relational network thinking, and above all, healthy leadership. These are the keys to surviving and thriving in a fast-moving, fast-changing knowledge economy. Informal human networks, bound together by trust, are the pathways that keep vital information flowing—and it is that vital information that propels the organization forward.

## The Toughest Task of Leadership

One of the toughest challenges that leaders face is responding to change—change in personnel, in markets, in competition, in technology, and in the regulatory environment. Equally challenging is the task of initiating change when it is needed. Whether leaders seek to bring about change or respond to change, the mere fact of change calls for them to effectively mobilize the people, energies, and resources of an organization.

### TECHNICAL AND ADAPTIVE CHANGE

There are different orders of change, of course, and the different orders of change demand different responses. The task of leadership is to differentiate between the different orders of change and to select the appropriate response. Change comes in essentially two "flavors": adaptive and technical. *Adaptive change* refers to changes in values, attitudes, and behaviors—an approach that says, "This situation won't change, so I must change." *Technical change* refers to fixes, such as altering techniques or acquiring new equipment or reshuffling personnel in an attempt to change the situation. Technical solutions in organizations involve simply providing a new or better resource for an existing problem, while adaptive solutions involve a deeper level of change; they often require us to alter deeply held beliefs and modify established habits and patterns of behavior.

The leadership failure that afflicts all too many organizations is the tendency to treat adaptive problems with technical solutions. When companies merge or restructure or reengineer, when communication and cooperation break down between crossfunctional teams, or when organizations get stuck in their inability to develop and implement a

strategic plan, you generally have a major adaptive problem that needs far-reaching adaptive solutions. Mere technical patches and fixes will never work.

To make the point even clearer, let's transpose these principles to a different human arena. Instead of organizations, let's look at counseling. Let's say an individual comes to a counselor with severe depression. To treat his depression, it is important to find out the cause of his depression. It may be that this person has a chemical imbalance in the brain that produces his moods. In that case, the cure is a technical change; we simply prescribe an appropriate medication, such as lithium or Prozac, to adjust and compensate for his chemical imbalance.

But what if he has a different sort of problem altogether? What if his depression is due to the fact that he is grieving the loss of his wife of forty years, or that he has just been diagnosed with an incurable and progressive disease? In such a case, a technical solution such as a prescription drug would not address the problem. The patient would need to learn how to apply adaptive change to his situation. He cannot change the situation, so he is going to have to change and adapt to the situation he now finds himself in. This means a change in his attitude and his behavior.

This principle is just as true of organizations as it is of individuals. Let's say that communication between offices in your organization seems to break down too often. Typical technical solution: install a better e-mail system or Wide Area Network (WAN). Or perhaps marketing is not getting its job done. Technical solution: fire the old marketing manager and hire a new one. Or maybe the employees seem to lack motivation. Technical solution: implement a new incentive program. Maybe a technical fix will solve the problem—maybe not.

If you have an adaptive problem on your hands, you need an adaptive change—a change in attitude, values, and behavior. Suppose communication between offices is continually breaking down, and the new e-mail system hasn't worked, nor has the new voice mail system, nor has the new WAN. Now what? Clearly, an adaptive change is demanded. What sort of change? Perhaps a change in attitude between the two offices.

We've consulted in organizations where one office feels like a stepchild. Communication is stifled not because of lack of resources, but because of alienating activities. We don't need new gadgets; we need people to begin relating to each other in a healthy way.

Or suppose marketing isn't getting the job done. Replacing and reshuffling personnel hasn't worked. Time for an adaptive change: The whole organization needs to understand that *everyone* is involved in

marketing and that it can't be left up to one person (the marketing manager). The old system, in which only the marketing manager is accountable for results, is a prescription for failure. A new system must be put into place that holds everyone accountable for results. A new attitude must be instilled that says, "Marketing is not an add-on. It's not an option. It's everyone's responsibility."

Or suppose the employees lack motivation. Incentives haven't worked. Motivational pep talks haven't worked. Scoldings haven't worked. Clearly, a deeper order of change is needed—an adaptive change. Employees will be authentically, intrinsically, enthusiastically motivated only if they buy into the vision and direction of the organization. Solution: Empower them. Include them in the planning process. Give them decision-making responsibilities. Allow them to feel a sense of ownership in the goals and direction of the organization.

So how do we know which order of change is required: technical or adaptive? The key question we have to ask ourselves when faced with a need for change is this: can we solve this problem with resources, or does the only solution lie in changing people's values, attitudes, and habits? If it is the latter, then we must boldly shoulder the task of producing adaptive change.

One reason this is such a difficult challenge for leaders is that before we can encourage adaptive change in others, we must accept adaptive change within ourselves. Like the people who work in our organization, we are creatures of fixed attitudes, beliefs, habits, and behavior patterns. We don't enjoy change any more than the people who work around us do. But that is the burden of leadership: to face facts, to accept the truth about ourselves and our situation, to make internal adaptations of our own mind and emotions, and then to mobilize the people around us to adapt as well.

Adaptive change is not easy for anyone. In fact, it is extremely stressful and painful for everyone—for leaders and followers alike. It means releasing old beliefs, while adopting new beliefs, roles, relationships, attitudes, and behaviors. There is always resistance to adaptive change. *Always.* Old traditions, attitudes, habits, and comfort zones die hard. Disorientation and confusion is a frequent by-product of adaptive change. Conflicts easily arise—and leadership must resist the temptation to merely suppress conflict instead of allowing those conflicts to bring important issues to the fore (conflict and collective pain can actually be useful in underscoring the need for adaptive change).

During times of adaptive change, it is crucial for leaders to maintain

means leaders need to possess a high tolerance for uncertainty, frustration, and distress, both his or her own and that of other people. During times of adaptive change, leaders will be scrutinized by followers, who will watch for both verbal and nonverbal signs of security and steadiness. Leaders must continually communicate assurance and confidence that the change is manageable, healthy, and for the betterment of everyone involved.

## TRANSACTIONAL VERSUS TRANSFORMATIONAL LEADERSHIP

There are essentially two kinds of leadership in the organizational world today. The oldest and most common form of leadership is *transactional*. This form achieves its end by mutual exchanges or transactions: "If you perform these duties, I will pay you X dollars. If you increase your performance, I will give you a promotion and a raise." Transactions are basic human interactions, characterized by the phrase "You scratch my back, and I'll scratch yours."

The type of leadership now emerging is *transformational*. This form seeks a deeper order of change in the life of the follower rather than simply giving a transactional incentive. Transformational leadership seeks to align the inner life of the follower—his or her emotions, motives, goals, desires, and values—with organizational goals and code. Whereas transactional leadership can be viewed as leading a donkey by holding a carrot in front of his nose, transformational leadership is more like nurturing a fast, spirited thoroughbred horse that *wants* to run, *wants* to win, *wants* to compete with every fiber of its being.

When we say that transformational leadership is the new and emerging form of leadership in the organizational world, we are not saying that there have never been transformational leaders in the past. Fact is, human history has been shaped by transformational leaders, by people who could reach inside the minds and hearts of followers, seize their emotions, energize their wills, and expand their imaginations. People like Jesus Christ, Thomas Jefferson, Gandhi, Winston Churchill, Franklin D. Roosevelt, John F. Kennedy, Martin Luther King Jr., Lee Iacocca, Ronald Reagan, and Mother Teresa are all brilliant examples of transformational leaders.

It is widely assumed that such leaders are born, not made—but that is not true. More and more, we are discovering that transformational leadership can be taught—and learned. Employees at all levels of an organization can be taught how to impact the beliefs, needs, values and goals of the people they influence. We are not talking here about manipulation or some sort of Hitlerian mind control. Transformational

leadership is not about taking advantage of people. It's about making people aware of what they *really* want in life—and motivating them to go after it.

Many people *think* they would like a life of ease, sitting at the beach, drinking mai-tais, but transformational leadership helps others realize that true satisfaction in life comes from achieving worthwhile goals. In World War II, many English and American citizens no doubt wished to hide and isolate themselves from the terrors of war, but leaders like Churchill and Roosevelt inspired their people to fight—or aid in the fight—by showing them that victory over Nazism was more important than personal safety or comfort.

How does transformational leadership work? How do transformational leaders manage to transform the inner selves of their followers? Here's a short course in transformational leadership:

### *Transformational Leadership Is Visionary*

People who exercise transformational leadership don't just see the world as it is. They see the world as it could be. One of the most visionary organizational leaders of our time is Microsoft's Bill Gates. In the early 1980s, when hardly anyone had heard of personal computers, Gates set a goal of placing a personal computer in every home by the year 2000. At the time, few others in the computer industry could imagine why *anyone* would want an expensive, sophisticated business tool like a computer in the family room. But Gates knew. He saw what no one else could see, and he went about creating the world he envisioned. Compared with that achievement, the fact that he became a multimillionaire in the process is little more than a footnote.

A person who exercises visionary leadership is not deterred by those who say, "That's impossible!" or "We could never do that!" Transformational leadership involves dreaming big, bold dreams, then enabling everyone in the organization to dream it with them. Most of all, transformational leadership is the process of motivating members to make those dreams come true.

### *Transformational Leadership Is Proactive*

People who practice transformational leadership don't react; they *act*. They don't worry about the future; they *shape* it.

Bob Woods learned that kind of leadership. In 1993, as head of Zeneca Ag Products, an American division of Britain's Imperial Chemical Industries (ICI), he faced an enormous challenge when the British parent company announced its decision to deconglomerate and

spin off the Zeneca division, effective January 1, 1995. Zeneca (or North American Ag, as the division was known while it was part of ICI) was a stodgy, tradition-bound bureaucracy headquartered in Wilmington, Delaware. The heads of the various departments—manufacturing, sales, and so forth—were loyal to their own departments, not to the company as a whole. The sales department, for example, was structured to reward volume, not profitability.

The spin-off posed a number of problems for Zeneca Ag. For one thing, the division's poor performance could no longer be concealed by the general profitability of the parent corporation. Zeneca would be forced to stand—or fall—on its own. Also, Zeneca would soon lose access to many of ICI's resources, including computer systems. Some of Zeneca's operating processes would have to be rebuilt from the ground up.

Taking a hard look at Zeneca, Woods saw a company that was not only struggling, it was unlikely to survive the major changes that would take place when the division was spun off on its own. There was no time or money for reorganization. Resistance to change was enormous, particularly among the department heads, all of whom were committed to the status quo. Woods tried to convince them that if the prospects of the company didn't improve, they would all be out of a job. But their response was invariably "It's not my department's fault—it's those guys over there," or "This isn't a real problem, just an anomaly. These things have a way of straightening themselves out."

But Woods knew that these things were not going to straighten themselves out. The company was facing extinction.

The biggest problem Zeneca faced was a lack of operating capital. Realizing that the department heads would be of no help, Woods went *under* their heads for a solution. He formed a crossfunctional team of mid-level managers and told them it was their job to get the company's cash problems under control. "What about the department heads?" someone asked. "They're out of the loop," Woods replied. Some of those senior execs might have been unhappy, but Woods didn't care. Applying the principles of transformational leadership, he leveled the hierarchy at Zeneca—not by going *over* anybody's head, but by going *under* the heads of the bosses. The senior execs had their chance to save the company, Woods reasoned, and they had laid a goose egg. Now he was empowering a whole new level of leaders to solve the problem. One way or another, Bob Woods was going to save the company.

In the process of putting these mid-level managers onto the problem of solving the operating capital crunch, Woods found that he had created a

nucleus of leaders to implement the company's transformation from a division of an overseas corporation to a stand-alone company. Once the cash problem was fixed, he ordered the group to take apart Zeneca's entire process structure—from product development to order fulfillment—then put it all back together in a way that was focused on customer demand. A dozen new process teams, all led by middle managers personally recruited by Woods, leaped into the task of rebuilding a tired old division into a lean, energetic new company. He personally spent a great deal of time visiting the teams and cheering them on, telling them to take risks, to think outside the lines, to imagine possibilities, and to innovate. His proactive efforts paid off.

By 1995, profits at Zeneca Ag were up 68 percent. Return on assets had jumped by 178 percent in two years. Cycle time on product development had been cut by a full year. Productivity had climbed by 77 percent. Inventory had been reduced by fifty-four million dollars. Thanks to Bob Woods, the future at Zeneca Ag—which had once been clouded at best, nonexistent at worst—was assured.

Transformational leaders like Woods are proactive. They don't wait for transformation to occur, they *create* transformation.<sup>2</sup>

### *Transformational Leadership Connects Through Communication*

We've all seen people who demonstrate this skill. Their conversational style is confident, vivid, energetic, exuberant, and persuasive. It reaches people at an emotional level. Good eye communication builds empathy and rapport. Confident gestures and a bright smile convey that this is a likable person who can be trusted. Those who cannot make an emotional connection when they communicate are not perceived and received as leaders.

On October 13, 1988, Massachusetts Governor Michael Dukakis squared off against Vice President George Bush in a live television debate. Dukakis's campaign had spent sixty million dollars to get him elected, and he was widely perceived as a man of ideas and perception. He led Bush by a commanding margin of 17 percentage points.

During the course of the evening, Dukakis was confident and mentally agile as he fielded questions from journalists and jabs from his opponent. Then, midway through the debate, CNN anchorman Bernard Shaw asked him, "Governor, if your wife, Kitty Dukakis, were raped and murdered, would you favor an irrevocable death penalty for the killer?"

"No, I wouldn't, Bernard," Dukakis replied without any apparent emotion. "And I think you know that I've opposed the death penalty all

of my life." He proceeded to give a lengthy, dry, emotionless lecture about his position on federal drug policy, concluding with a call for a "hemispheric summit" to address the problem of drugs and crime.

Viewers were aghast. He had just been asked to consider the possibility of the rape and death of his own wife—and his answer had been utterly aloof, detached, and canned. Immediately after that debate, Dukakis's seventeen-point advantage turned to a 21-percent deficit. A post-debate profile in *Time* magazine labeled him "The Man Who Seals Off Emotion." Michael Dukakis lacked the ability to make an emotional connection with his audience, and as a result, he was denied the opportunity to lead.

When a transformational leader communicates, he or she does more than communicate mere verbal content. Such leaders know they must communicate trust, feeling, empathy, humanity, enthusiasm, and confidence—or they cannot lead.

### *Transformational Leadership Shares Power*

Instead of seizing power and taking control, transformational leadership is about empowering others. The word "empowerment" is not just a management buzzword. It is an essential tool in the hand of the person practicing leadership.

Rachel Hubka started as a dispatcher with Chicago's Stewart Bus Company in 1978. A voracious learner, she wanted to know everything there was to know about running a bus company. She learned all the complexities of routing and scheduling school buses. She studied the procedures for hiring and training drivers. She cleaned out buses and watched the mechanics maintain the diesel engines. She even developed and implemented a safety program that was adopted by the company. No one at the Stewart Bus Company knew more about running a bus company than Rachel Hubka—not even the people who owned it.

A few years later, when the owners decided to get out of the bus business, Rachel bought the company. Suddenly, she found herself competing against fifty other bus companies for contracts to bus public school students. She won a contract to bus kids from the crime-ridden, poverty-ridden North Lawndale area, but the contract was contingent on her commitment to hire drivers who lived in North Lawndale.

Hubka knew the risks of hiring people with bad employment histories—and in poverty-prone North Lawndale, the workforce would be marginal at best. But she believed she could make it work if she could empower her drivers and build into them an attitude of pride and



professionalism. She took in drivers with no experience whatsoever, and put them through a comprehensive driver-training program. She issued professional-looking uniforms with white shirts, dark slacks, ties, and ID badges. To underscore the professionalism of their role, each driver was given personalized business cards to hand out. The result: she gave opportunities to people who had never before made anything of their lives—and she got a stable, motivated, professional workforce in return.

Hubka has been so successful in instilling leadership skills in her employees that several of them have left the firm to start businesses of their own—a fact that she is very proud of. She empowers her workers by teaching them and being available to them. As the business publication *Organizational Dynamics* explains, Hubka's "door is always open. There is no chain of command. She's a great listener who is able to engage others in meaningful conversations. Because of her own thorough knowledge of her job, Hubka was able to see the possibilities in a situation and create the learning environment she desired."<sup>3</sup>

Lao-tzu, the Chinese Taoist leader-philosopher who lived some six centuries before Christ, put it this way:

A leader is best when people barely know that he exists; not so good when people obey and acclaim him; worse when they despise him. Fail to honor people and they will fail to honor you. But of a good leader, when his work is done, his aim fulfilled, they will all say, "Look! We did it ourselves!"

Spoken like a true transformational leader.

### *Transformational Leadership Walks the Talk*

The stated values of leadership must equal the demonstrated results. People who walk the talk daily demonstrate character traits of integrity, honor, self-discipline, caring, commitment—and a good sense of humor and good fun. Transformational leadership means being willing to sacrifice personal interests at times in order to achieve a greater good and set a good example. It is about serving others and serving the organization—not just serving yourself.

Doug Cahill exemplifies that kind of leadership. He heads the swimming pool products division at Olin, the two-billion-dollar chemical giant. Some years ago, Olin went through an innovative restructuring. All the old position titles were done away with; in their place were only two titles: coach and teammate.

When the new employee directory came out, Cahill got a call from the Olin factory in Livonia, Michigan. Seems one of the employees had opened the book and found he was listed not as a teammate, like the rest of his colleagues, but under his old title, accounting manager. The changes at Olin had been stressful for many in the organization, and this employee was shaken by that listing. "Are they trying to send me a message?" the man frantically asked. "Are they telling me I'm not on the team?"

Cahill—an executive who is personally responsible for 250 million dollars in sales a year—certainly had bigger fish to fry, and easily could have assigned the problem to an underling. Instead, he chose to handle the problem himself. First, he reassured the employee that Olin didn't operate that way. Then he personally made some calls until he had tracked down the people who had typeset the directory. It turned out to be a simple typo—a typist had skipped a line while inputting the changes to the book. Then Cahill personally called the man and explained the error. Problem solved—and it was solved by a transformational leader who cared enough about his people to become personally involved in setting things right.<sup>4</sup>

### *Transformational Leadership*

#### *Listens and Demonstrates Teachability*

People with this skill get their own egos out of the way so that they can continue to learn, grow, and adjust to change. They welcome feedback—including feedback from subordinates and frontline troops. The person who is not grateful for feedback is not interested in growth and change and is therefore *not* a transformational leader. In his book, *Transforming Leadership*, Leighton Ford writes,

To lead is to struggle. In a world such as ours, in history as we know it, to choose the path of leadership is to be on a collision course with conflict. Why? The reason is quite clear. Leadership always involves change, moving people from one point to another, from the old way of doing things to the new, from the security in the past to the insecurity in the future. Within us there is a built-in resistance to change which seems to threaten our stability and challenge our power.<sup>5</sup>

Leadership is a process of continual improvement and growth, so leaders should intentionally create feedback loops in the organization

to make sure that information is continually flowing their way. These loops should include close, trusted associates whose advice and counsel you respect and trust—people who will be candid with you about your errors and faults, people who will care enough about you to hold you accountable for change, people whose feedback will make you an even more effective leader.

Transformational leadership stands most of the old concepts of leadership on their head. A person who practices transformational leadership is not so much a boss as a guide, an encourager, a cheerleader, a mentor, a teacher. Transformational leadership looks beyond payoffs and tradeoffs. Instead of managing and controlling behavior, transformational leaders invest in people so that their personal growth, motivation, and enthusiasm will move the organization toward its goals.

The old corporate model of transactional leadership evolved during the Industrial Revolution, and it got the job done in manufacturing settings, where tasks were carried out on an assembly line and rarely changed. But transformational leadership is more appropriate in the new Information Age where most tasks are service-related and constantly changing. The kind of worker needed today is not a transactional worker ("I do my task for a paycheck"), but a transformational individual who is empowered to adjust to new situations and is motivated to find new and creative ways to get the job done. Transformational leadership unleashes the innovative and creative abilities of the members of the organization. Transactional leadership builds bureaucracy and stifles innovation, because it assumes that the world doesn't change and attempts to maintain the status quo. Once that happens, decline sets in. But transformational leadership assumes change, responds to change, and provokes change. It keeps organizations alive.

When we say that transformational leadership is the "new" leadership approach, we don't mean that it is a recent invention. Transformational leadership has been around since Jesus Christ, if not before. (Jesus was clearly a leader for his time—a time of great social upheaval and spiritual change.) So while transformational leadership may not be new, the rapid rate of change in our world makes transactional leadership obsolete, and makes transformational leadership the only viable model for the new millennium.

As we compare the old transactional model with the new transformational one, the contrast between old and new becomes clear:

OLD MODEL (TRANSACTIONAL)	NEW MODEL (TRANSFORMATIONAL)
Technical change	Adaptive change
Hierarchical pyramid	Relational web
Leader is perched atop the pyramid	Leader is at the center of a web of relationships
Leader dictates	Leader orchestrates
Leader directs	Leader supports
Leader controls people	Leader empowers people
Focus on position power	Focus on relationship power
Demands compliance	Inspires commitment
Confrontational and combative	Collaborative and unifying
Chain of command	Diffuse communication
Leader as decision maker	Leader as activator-stimulator
Employees viewed as subordinates	Employees viewed as associates and teammates
Power flows from the top down	Influence radiates from the center of a web
Rigid authoritarian structure	Flexible structure
Inflexible, complex rules	Elastic, simplified procedures
Desired place: top	Desired place: middle
Lead a meeting	Facilitate a meeting
Individual achievement	Group affiliation
Rigid job descriptions	Teams formed around specific tasks, disbanded, then new teams formed for new tasks
Will change only when forced to by crisis	Continuously learns and innovates

Clearly, this is not your father's leadership model. This is the emerging model for the emerging age, the emerging economy. It's not only the right, just, and humanizing way to lead in the new millennium—it *works*. Most important of all, it works at every level of the organization. This is not a model for the boss to employ from the ivory tower. It's a model that can be taught to *every member of the organization*, because no matter what position or arena he or she is in—from the boardroom to the mallroom—*every member is expected to exercise leadership*.

Here are some of the activities and abilities that can and should be learned by every member so that leadership can be fully implemented throughout the organization:

1. *The ability to create a "holding environment."* This means that a person has learned how to force a forum where change can happen. This is precisely why we use off-site retreats so often: to create a holding environment, one where people are brought into close contact with each other so that issues must be faced and can't be avoided. Change can't happen unless an environment is created where people expect change, and change is what a holding environment is all about.

2. *The ability to command and direct attention.* This means that a person has learned how to focus the attention of the group on the task or problem at hand. It is also the commitment to "hang tough" until a real and lasting solution is reached.

3. *A willingness to grant access to information.* Leadership involves providing as much information as possible. In former times, leaders hoarded information. Only a privileged few were allowed to be "in the loop." But the demands of authentic transformational leadership require that information be freely provided so that group members can make informed decisions.

4. *The ability to control the flow of information.* Authentic leadership doesn't overwhelm the group with information. Information overload produces frustration and cynicism. Leaders do not hoard information, but provide it when it is appropriate and relevant.

5. *The ability to communicate persuasively.* Leaders must be able to persuade, inspire, and motivate people. In a personal interview, Bert Decker of Decker Communications, Inc., told us,

Anyone in leadership has to know how to move people to action with the spoken word. You can't afford to simply dump your information on the floor in front of people. You have to advocate your point of view effectively and believably. Whether you are addressing an audience of thousands or an audience of one, effective communicating is essential to effective leadership. You have to make an emotional connection with your listeners. communicate with energy, use

inflection, gestures, facial expression, and eye communication. These are the behavioral skills that make a great communicator—and every great leader is a great communicator.

(To improve your own communication skills, we recommend Bert Decker's excellent book, *You've Got to Be Believed to Be Heard*, St. Martin's Press, 1993.)

6. *The ability to reframe issues.* This is the ability to suggest that the Identified Problem is not the real problem. It's the ability to see beneath the surface of problems to the reality. Groups get stuck when they haven't properly framed the issues. Authentic leadership sees problems clearly, reframes them in solvable terms, and motivates the group to find the solution.

7. *The ability to regulate stress.* Authentic transformational leadership is willing to push the edge of the envelope—but not break it. Leaders know that people need to be motivated and challenged; but they never push people to the breaking point, never overwhelm. The right amount of stress and challenge keeps people moving toward change. Stress overload, on the other hand, produces paralysis and burnout, which in turn reduces productivity and increases unwanted employee turnover and employee downtime. Group stress is a tightrope, and stress regulation is a balancing act.

8. *The ability to choose and clarify the decision-making process.* Leaders establish the ground rules upfront. Is this going to be a unanimous decision or a general consensus? What happens if one person disagrees? The decision-making process should be clarified before every meeting. Typically, major issues such as strategic planning require a general consensus.

These are some of the key abilities that transformational leaders can and should acquire. And this is the beauty of the transformational leadership model: It can be taught and it can be learned. It can be practiced at any and all levels throughout the organization.

## Unleash the Leadership Potential in Your Organization

We've heard it from employers around the country, in many different industries:



- "Our people aren't excited about their work."
- "The only thing that matters to them is the paycheck, the pension, and how much vacation time they get."
- "Their attitude is 'Don't do any more than you absolutely have to.'"
- "Nobody takes responsibility anymore. They all say, 'It's not my fault!'"

But employers aren't the only ones complaining. We've also heard comments like these from workers around the country, in many different industries:

- "I do a good job, I work hard, but around here, it doesn't matter what you do. It only matters who you play golf with."
- "My boss always takes credit for my ideas—so why bother thinking anymore?"
- "I haven't a clue why I do what I do. I just do what I'm told, then I go home."
- "Am I doing a good job? I dunno. I never get any feedback."
- "We have the craziest rules here—and none of them makes any sense."
- "No one ever listens to me."

If you want to have healthy members, you must start with the recruitment and hiring process. Recruit people with good attitude, good skills, and good motivation and inspiration. Once you have found them, trust them to lead, invest in their leadership, and empower them to lead.

Most companies can no longer afford to be vertical, rigid hierarchies in which leadership is isolated from the workers. The realities of the world today demand flat, flexible organizations made up of informal collaborative teams where leadership is exercised and power is shared at every

level of the organization. The Thing in the Bushes often takes up residence in the corner offices of the executive suite, whispering messages of power, hierarchy, and control into the ears of the CEO and senior leaders. Peter Coors of Coors Brewing Company observed,

In the past, if we needed to fix up a machine shop, we simply went in and delegated: "Here are the bins, and these are the colors, and here's where the equipment will be, and there's where the tools will be kept. Now you go do it." This time we sat down with the employees to empower them and said, "Look, you have to work with this equipment, and so you design it the way you want it."

Empowering people in the workplace means:

- People are given significant latitude and decision-making responsibility.
- People know what's expected of them.
- People have the resources and training to do their tasks correctly.
- People believe their supervisors care about them as people.
- People receive recognition and praise for good work regularly, and are accountable for mistakes.
- People have the opportunity to do what they do best regularly.
- People know that someone in the workplace encourages their development.
- People know that they are expected to exercise leadership wherever they are, and they have been trained and empowered to feel confident in that role.

What happens to workers who don't feel empowered to exercise leadership? Well, all too often, they go out and start companies of their

own—and they become your competitors! Workers who leave companies to start their own businesses usually have these complaints about the companies where they used to work:

- "I never had the opportunity to learn and grow."
- "No room for advancement."
- "I didn't feel like I was doing anything important."
- "I never got any encouragement or affirmation."
- "I was spinning my wheels."

To empower your people, let them know they matter. Let them know they are valued. Let them know how important their contribution is to the mission of the organization. Southwest Airlines built its phenomenal success story not on customer satisfaction but on a satisfied workforce. As company founder Herb Kelleher says of the culture at Southwest, "Customers come second. Our people come first." Customer satisfaction is an inevitable by-product of worker satisfaction.

When people feel valued, they can be trusted. Because they are valued and trusted, they are empowered. And when people are empowered, anything is possible. An empowered workforce tends to be a unified workforce. Unity means acceptance, not assimilation. In a healthy organization, people accept differences while working toward a common purpose and the accomplishment of a team mission. Many thriving organizations have near-cultic cultures that help build identity and unity. Employees take pride in identifying with the organization. Companies can promote that sense of identification with slogans and T-shirts that build an almost elitist pride in belonging.

All people long to be part of something larger than themselves. They want to feel connected; they want to belong. And a sense of community and belonging among workers creates profitable spin-offs for organizations. The combined creativity, energy, and IQ of a team is potentially much greater than that of an individual. As physicist Werner Heisenberg observed in his book *Physics and Beyond: Encounters and Conversations*, "Science is rooted in conversations. The cooperation of different people may culminate in scientific results of utmost importance." What is true of science is true in every other organizational endeavor. If your organization nurtures a culture of empowerment and shared leadership, your people will in turn empower the organization and lead it to undreamt-of heights.

## The Greenlake Bank Story, Conclusion

"Am I holding up the show?"

That question from Don Larsen, president and CEO of Greenlake Savings Bank, hung in the air like a dark cloud. Sitting across the conference table from Don, we pondered that question—the same question he had asked us over the phone, days earlier: *Am I holding up the show?* Was it an unintended double entendre? Perhaps. You could take it two ways:

*Am I the one who is solely responsible for the success of this organization, like Atlas holding the world on his shoulders?*

Or:

*Am I the one who is obstructing the progress of this organization? Am I standing in the way of success?*

Paradoxically, the answer to both questions was yes. The very fact that Don saw himself as the *one and only person* responsible for the success or failure of Greenlake Savings Bank was in fact *hindering* the company's success. The Thing in the Bushes at Greenlake was: Don's intrusive, micromanaging leadership style, which violated boundaries, destroyed communication, damaged trust, and knocked the entire relational network of the company off kilter.

"Am I holding up the show?" Don's anguished question continued to reverberate in the still air of the conference room for several seconds. Without exchanging a word, we knew: *This is it! The Thing in the Bushes!*

It was clear that Don was a fine human being, that he cared deeply and genuinely about all of his employees, and that he sincerely wanted each one to succeed. Though his employees resented his micromanaging ways, they actually liked Don as a person. He was, indeed, holding up the company in many ways. Like Atlas, he bore the weight of anxiety, responsibility, and worry for the company's future on his shoulders. But that also meant he was unable to empower his people to develop their own leadership ability. In his eagerness to make the company successful, he made himself the bottleneck, which held back the company's productivity, growth, and expansion.

Over the next two days, we led the entire staff of Greenlake through a weekend of leadership development. The first few round-table discussions with the staff were dominated (predictably) by Don. In those discussions, it was clear that he could clearly identify the problem at Greenlake—he had seen the enemy and it was him. Though he desperately wanted the

staff to be empowered to carry out the company's mission, they couldn't do it because Don himself stood in their way. Even knowing this, Don couldn't help himself.

During the first day of the leadership development weekend, Don kept telling us how to do our job, how to facilitate the discussion, how to empower his staff. Even knowing he was the problem, he continued to perpetuate the problem. But over the course of the weekend, we gently eased Don out of a central position through some simple structuring exercises. Other members of the organization were brought forward and encouraged to speak and accept leadership roles. Managers were divided into three groups and each group was given an assignment. We intentionally gave Don's group the easiest assignment: identifying the organization's communication issues. The other two groups dealt with issues having to do with empowerment, leadership, and trust. In this way, we took Don out of the loop with regard to the most serious organizational challenges, and we put other people in charge of meeting and solving those challenges.

By the second day, other people had emerged as leaders. One young mid-level marketing director—not even a vice president—emerged as the real leader of the group. She skillfully elicited input from others, built consensus and clarified issues and decisions, and generally demonstrated a high level of leadership. As Don saw the high quality of leadership that emerged from the group, he began to see what he had been missing through all of his meddling and micromanagement.

And he began to relax his grip on the reins.

Oh, he still had a lot to learn and a distance to go before he would truly become the kind of empowerer he needed to be. But he had made a beginning. And so had Greenlake Savings Bank.

And it all began as the CEO started to see his company not as a pyramid but as a web of relationships, a network of leaders who could each be trusted to take the initiative and demonstrate executive ability without the boss's moment-to-moment, detail-by-detail intervention. When Don began to realize what real leadership means in the new era of organizations, The Thing knew it was beaten. It crept away, melted into the shadows, and disappeared.

And it hasn't been seen at Greenlake Savings Bank since.

# APPENDIX 1: COMPETENCIES

*Handwritten initials: JCS*

Each of these competencies has been defined and linked to the "anchors," or specific behaviors, that enable you to distinguish those competencies in the members of your organization. This list was based on extensive research, including focus groups and surveys. Use it as a guide for developing your people.

**COMPETENCY: KNOWS AND DRIVES THE MISSION AND VISION OF THE ORGANIZATION**  
*Definition: Understands the future picture of the organization and knows the process to achieve it*  
**Anchors:**

1. Communicates the strategic vision and expectations to subordinates/team
2. Recognizes opportunities that can assist in moving toward the strategic vision
3. Participates in goal setting for the organization; participates in and manages goal achievement
4. Contributes to, and actively participates in, the organization's strategic process and initiative implementation

**COMPETENCY: IS MOTIVATED BY RESULTS AND OUTCOMES**  
*Definition: Is inspired and challenged by the completion of goals and positive outcomes*  
**Anchors:**

1. Consistently meets mutually approved deadlines
2. Demonstrates an appreciation for planning and goal setting
3. Uses past success to inspire new success
4. Demonstrates satisfaction in goal attainment

**COMPETENCY: VALUES GOALS**  
*Definition: Appreciates and adheres to the timely completion of an objective*

- ANCHORS:**
1. Demonstrates an appreciation for the necessity of setting and having goals
  2. Uses goals as tools to achieve results
  3. Demonstrates an appreciation and respect for deadlines
  4. Effectively establishes action-plan steps to achieve goals

**COMPETENCY:**  
**Definition:** KNOWS THE CULTURE OF THE ORGANIZATION  
*Understands the organization's environment and knows the process to support it*

- ANCHORS:**
1. Demonstrates an understanding of the organization's philosophy, mission, strategic vision, and business plan
  2. Shows an understanding of team decision making, communication methods, and participation
  3. Demonstrates an understanding of the organizational structure and interdepartmental relationships
  4. Displays knowledge of how to improve processes and procedures that result in a more efficient operation

**COMPETENCY:**  
**Definition:** EMBODIES WHAT THE ORGANIZATION IS ALL ABOUT  
*Demonstrates an understanding of own role as it relates to organizational culture*

- ANCHORS:**
1. Demonstrates a clear understanding of the importance of own role in the organization's mission
  2. Displays knowledge of how own job tasks help accomplish organizational strategy
  3. Actions consistently reflect the values of the organization
  4. Helps to focus others on the organization's vision

**COMPETENCY:**  
**Definition:** IS A GOOD LEADER  
*Instinctively steps forward to improve the performance of the organization by attracting people to follow her or him through guiding, coaching, directing, influencing, and empowering the human resources of the organization*

- ANCHORS:**
1. Initiates action, motivates others, and inspires people to follow the objectives of the organization

2. Sets a good example and exemplifies the vision and values of the organization through actions and decisions
3. Coaches, encourages, and assists others to utilize and improve their talents
4. Willingly addresses negative behavior and coaches to a positive outcome

**COMPETENCY:**  
**Definition:** IS A GOOD TEACHER  
*Derives satisfaction from inspiring and motivating others to learn and excel through sharing and transferring knowledge*

- ANCHORS:**
1. Guides others to reach solutions
  2. Willingly shares information
  3. Is actively sought out by others as a resource for knowledge and motivation
  4. Persistent in ensuring employees' understanding and knowledge

**COMPETENCY:**  
**Definition:** IS A VISIONARY  
*Is stimulated by the possibilities and anticipation of the future and knows how to bring together the resources and elements to anticipate customer (client, member, patient) needs in order to organize, develop, and build a cohesive picture*

- ANCHORS:**
1. Finds resources and defines clear steps to make the future a reality
  2. Uncovers all options and possibilities (including nontraditional solutions) relating to the objective
  3. Demonstrates the ability to think and act on the strategic/scenario planning level
  4. Takes seemingly unrelated information and makes a cohesive picture

**COMPETENCY:**  
**Definition:** IS A MENTOR TO OTHERS  
*Fosters a relationship of development and positive change with others through concern, empathy, knowledge, inspiration, advice, and active participation*

**ANCHORS:**

1. Recognizes and develops an individual's potential; coaches and encourages others to make positive change

2. Approaches employees with an open mind and sensitivity toward the individual
3. Possesses an expertise that inspires others, and willingly shares knowledge and experience
4. Has a presence that makes others want to emulate him or her

**COMPETENCY:**

**KNOWS HOW TO CREATE A PROPER CULTURE FOR THE ORGANIZATION**

**Definition:**

*Knows what elements are needed to shape and exemplify behavior to build an environment that is consistent with the organization's values, beliefs, vision, and mission*

**Anchor:**

1. Demonstrates an understanding of the processes in each area of responsibility and how to relate to others in the work environment
2. Understands the needs of the organization and develops a profile for hiring. Identifies individuals who fit the organization's profile and takes appropriate action
3. Creates an environment through coaching that motivates employees to embrace change and continuous improvement
4. Establishes and clarifies service and problem-solving expectations

**COMPETENCY:**

**DESIRES TO TAKE INITIATIVE**

**Definition:**

*Identifies needs, "takes the bull by the horns," and follows through*

**Anchor:**

1. Steps in to assist when necessary and readily participates
2. Foresees needs and takes action to fulfill them
3. Ensures completion and follow-up when necessary
4. Demonstrates a take-charge attitude

**COMPETENCY:**

**DESIRES AND COACHES CONTINUOUS IMPROVEMENT**

**Definition:**

*Continually strives for excellence and quality in all tasks. Desires, coaches, and drives better results on an ongoing basis*

**Anchor:**

1. Looks for ways to streamline processes for efficiency
2. Consistently reviews results of efforts and initiates changes to improve

3. Consistently recognizes and rewards positive behavior
4. Encourages others to stretch beyond current standards and abilities

**EMPOWERS OTHERS**

*Gives up micromanaging by enabling others to achieve desired results*

**Anchor:**

1. Provides knowledge and resources to enable others to solve problems
2. Provides encouragement and feedback
3. Encourages risk taking
4. Manages results rather than processes

**COMPETENCY:**

**COMMUNICATES EFFECTIVELY**

**Definition:**

*Effectively discerns and applies a variety of appropriate communication methods to varying situations in order to understand and be understood*

**Anchor:**

1. Demonstrates effective writing skills and has a command of the English language
2. Adjusts personality style and/or communication medium to communicate most effectively to different audiences
3. Actively listens, asks open-ended questions, and genuinely hears what the other person is saying
4. Uses appropriate communication tools dependent upon the situation

**COMPETENCY:**

**FREELY EXPRESSES IDEAS AND OPINIONS IN A PROFESSIONAL MANNER**

**Definition:**

*Demonstrates the ability to communicate her or his point of view in a way that is respectful of others*

**Anchor:**

1. Openly provides information in group discussions
2. Knows how to express opinions and ideas in ways that are respectful of others
3. Knows when and how to listen
4. Offers useful advice

**COMPETENCY:**

**ABLE TO MANAGE CONFLICT**

**Definition:**

*When conflicts arise, is able to conduct self in a way that results in win-win outcomes for those involved*

- ANCHORS:**
1. Willingly faces conflicts with a desire to resolve them
  2. Listens in a way that helps others feel understood
  3. Reduces tension in situations before it escalates
  4. Uses tact in handling difficult people

**COMPETENCY:**  
**Definition:** SHOWS EMPATHY  
*Demonstrates an ability to understand and care about others*

- ANCHORS:**
1. Responds to another's feelings in a way that demonstrates interest and concern
  2. Identifies nonverbal cues (for example, body language, tone of voice) to understand another's feelings
  3. Encourages openness with active listening
  4. Demonstrates sensitivity to others in a variety of situations

**COMPETENCY:**  
**Definition:** WELCOMES DIFFERENT STYLES OF COMMUNICATION  
*Able to allow for a broad range of communication styles based on people's differences*

- ANCHORS:**
1. Demonstrates an understanding that individual differences result in different perceptions
  2. Actively learns how others view things
  3. Will consider many perspectives when making decisions
  4. Makes use of a variety of communication styles

**COMPETENCY:**  
**Definition:** MAKES CERTAIN OWN COMMUNICATION TO OTHERS IS UNDERSTOOD  
*Is proactive in assuring that own communication is received and understood*

- ANCHORS:**
1. Pursues responses to communication in a timely fashion
  2. Asks questions to see if others understand what he or she says
  3. Encourages others to ask for clarification about unclear communication
  4. Is patient in responding to others' questions about her or his communication

**COMPETENCY:**  
**Definition:**

**IS PROFESSIONAL**  
*Projects confidence, a quality image, and business etiquette*

1. Establishes credibility with customers (clients, members, patients), supervisors, and subordinates
2. Displays refinement, character, and objectivity in action taken
3. Is polished and poised in appearance and action
4. Corresponds through letters, e-mails, and/or reports in a way that reflects the image of the organization

**COMPETENCY:**  
**Definition:**

**DESIRES AND VALUES KNOWLEDGE AND LEARNING**  
*Endeavors to satisfy his or her thirst for personal development to improve self and the organization. Willingness to retain and apply information and instruction for self-improvement*

**ANCHORS:**

1. Completes individual training plan
2. Willingly shares knowledge and experience with others
3. Takes specific steps to achieve maximum potential personally and professionally
4. Seeks, retains, and applies new information to job

**COMPETENCY:**  
**Definition:**

**HAS A POSITIVE ATTITUDE**  
*Projects the confidence that anything is possible and sees the positive opportunities inherent in situations*

**ANCHORS:**

1. Exudes positive body language and energy
2. Is optimistic (glass is half full) and consistently looks on the bright side
3. Works around obstacles by turning problems into challenges or opportunities
4. Builds on others' ideas and doesn't shoot them down

**COMPETENCY:**  
**Definition:**

**DESIRES TO BE EMPOWERED**  
*Is inspired by the authority and independence to take action or make decisions*

**ANCHORS:**

1. Welcomes opportunities to work independently and is confident in self to make decisions
2. Demonstrates ability to make decisions with minimal direction



3. Is not afraid to take initiative to act upon decisions
4. Demonstrates motivation to act on behalf of the organization

#### IS MOTIVATED BY EXCELLENCE

**COMPETENCY:**  
**Definition:**

*Is driven to go above and beyond to achieve exceptional results for self and the organization and demonstrates performance that surpasses the standard established*

**Anchors:**

1. Looks for new opportunities to grow the organization
2. Upholds and continually improves the reputation of the organization
3. Looks for benchmarking opportunities and strives to be like the benchmarks
4. Takes complaints seriously, corrects them, and solves underlying causes to prevent recurrence

#### VALUES QUALITY IN PERFORMANCE

**COMPETENCY:**  
**Definition:**

*Believes in working toward the best, is conscientious, and exemplifies pride of workmanship*

**Anchors:**

1. Is accurate in completing customer (client, member, patient) requests (transitions orders, and so on)
2. Follows through on customer (client, member, patient) requests in a timely manner and shows a strong work ethic
3. Viewed by others as someone who does quality work
4. Provides service above and beyond what is expected from a customer (client, member, patient) or coworker

#### DESIRES CONTINUOUS IMPROVEMENT

**COMPETENCY:**  
**Definition:**

*Continually strives for excellence and quality in all tasks. Desires and drives better results on an ongoing basis*

**Anchors:**

1. Demonstrates thoroughness and organization
2. Looks for ways to streamline processes for efficiency
3. Viewed by others as consistently striving for quality above and beyond what is expected
4. Consistently reviews results of efforts and initiates changes to improve

#### IS ABLE TO HANDLE MULTIPLE TASKS

**COMPETENCY:**  
**Definition:**

*Consistently manages and completes several functions of work*

**Anchors:**

1. Demonstrates organizational skills (sets, obtains, and manages objectives)
2. Utilizes time-management skills to continually establish and evaluate daily priorities
3. Utilizes internal and external resources (for example, project management tools) to enhance work-performance
4. Demonstrates a sense of urgency to complete tasks; meets approved deadlines

#### KNOWS SPECIFIC JOB TASKS

**COMPETENCY:**  
**Definition:**

*Understands all of the particular duties, assignments, processes, and procedures necessary to fulfill responsibilities*

**Anchors:**

1. Compiles appropriate information to complete job tasks
2. Understands and follows the procedures necessary to complete job tasks
3. Follows specific policies necessary to perform job tasks
4. Stays current and helps support promotional initiatives

#### VALUES ACCOUNTABILITY

**COMPETENCY:**  
**Definition:**

*Believes in taking ownership and responsibility for individual actions without providing excuses*

**Anchors:**

1. Accepts assigned responsibilities and stands by decisions made
2. Accepts responsibility for actions without taking it personally
3. Avoids pointing blame or "passing the buck"
4. Offers solutions and takes action through empowerment

#### VALUES DETAILS

**COMPETENCY:**  
**Definition:**

*Strongly believes in accuracy and specifics*

**Anchors:**

1. Demonstrates an understanding and respect for precision and accuracy to achieve targeted results



2. Understands the value of "getting it right" the first time and consistently produces work with minimal errors
3. Seeks all necessary information to make good decisions
4. Minimizes errors through use of set procedures

**COMPETENCY:**  
**Definition:**

**KNOWS SPECIFIC ORGANIZATIONAL OPERATIONS**

*Understands the organization's products, services, policies, standards, and procedures, with expertise (technical, communication, and departmental) necessary to perform daily tasks*

**Anchors:**

1. Demonstrates an understanding of the features and benefits of all products and services
2. Attends promotional and technical training
3. Follows policies as they pertain to products and procedures
4. Demonstrates an understanding of the general functions of all areas of the organization and uses the proper resources to find answers

**COMPETENCY:**  
**Definition:**  
**Anchors:**

**CREATES A PROFESSIONAL ENVIRONMENT**

*Demonstrates an ability to help others stay focused*

1. Responds to criticism in a professional manner
2. Is accessible to coworkers and customers (clients, members, patients)
3. Is supportive of coworkers' lives outside the office
4. Keeps a clear distinction between work and personal issues

**COMPETENCY:**  
**Definition:**

**SEES THE BIG PICTURE**

*Has the ability to evaluate the wider scope of an individual issue or action and how it relates to the whole organization, and places a greater importance on the overall organization's welfare than on own role*

**Anchors:**

1. Visualizes long-term direction
2. Understands the relationship between various areas of the organization and integrates decisions with all these areas

3. Recognizes opportunities, products, and services that can assist in moving the organization toward its objectives
4. Recognizes the effect of external trends on the organization

**COMPETENCY:**  
**Definition:**

**DEMONSTRATES COGNITIVE SKILLS**

*Has the ability to process information in order to form effective conclusions and judgments based on individual situations*

**Anchors:**

1. Listens effectively and asks appropriate questions when something is not clear
2. Makes flexible and informed decisions using analytical and/or logical processes
3. Learns from past experiences and education to make decisions for individual situations
4. Draws from appropriate organizational resources to find resolution to issues

**COMPETENCY:**  
**Definition:**

**IS A CREATIVE ANALYTICAL THINKER**

*Takes an out-of-the-box approach in synthesizing information into a desired outcome*

**Anchors:**

1. Looks at all sides of an issue, gathers information, and reaches individual conclusions
2. Shows flexibility in approach, new ideas, information, and problem solving
3. Uses a nontraditional approach to achieve a vision or a goal and verifies the out-of-the-box approach through research
4. Demonstrates the tenacity to seek an answer for everything no matter what the limitations

**COMPETENCY:**  
**Definition:**

**IS A GOOD DECISION MAKER**

*Achieves positive results and solutions to situations through a cognitive process*

**Anchors:**

1. Considers and weighs all available facts and understands the "big picture"
2. Is an analytical thinker who can bring together diverse opinions

3. Understands and establishes a desired end result
4. Is competent and confident in reaching appropriate decisions

**COMPETENCY:** IDENTIFIES ORGANIZATIONAL PATTERNS OR PROCESSES THAT ARE UNPRODUCTIVE

**Definition:** *Demonstrates an ability to always ask the question "Can we do this better?"*

**Anchors:**

1. Appropriately questions the effectiveness or efficiency of current work processes
2. Makes recommendations for process improvement
3. Engages others in out-of-the-box thinking to solve problems.
4. Is able to identify relationship problems or emotional problems when they interfere with productivity

**COMPETENCY:** **Definition:**

**Is FLEXIBLE**  
*Is able to adjust to new or different circumstances through alternative ways of thinking and doing things*

**Anchors:**

1. Looks at different points of view, brainstorming open-mindedly, and accepts others' input
2. Maintains own opinions while considering others' opinions (knows when to appropriately maintain own opinion when in the minority)
3. Demonstrates willingness to work with alternative solutions, situations, and ideas
4. Validates others' views by affirmations

**COMPETENCY:** **Definition:**

**DESIRES A CHALLENGE**  
*Is stimulated by the opportunity to combine knowledge, skills, and resources to meet objectives requiring special effort*

**Anchors:**

1. Recognizes a need for improvement, sees problems as opportunities or challenges, and provides options for solutions
2. Takes initiative to turn a negative situation around and faces resistance with a win-win approach
3. Follows through to reach desired results
4. Readily participates in figuring out complex issues

**COMPETENCY:** **Is ABLE TO THINK ON OWN FEET**

**Definition:**

*Has the ability to make sound decisions quickly and confidently, given new information or challenges*

**Anchors:**

1. Requires little or no supervision in making decisions
2. Is comfortable, calm, and confident in ability to deal with things as they are presented, even under pressure
3. Demonstrates a sense of urgency to complete tasks and meet approved deadlines
4. Is flexible to change decision when the situation demands it

**COMPETENCY:** **VALUES INNOVATION**

**Definition:** *Demonstrates the importance of change by encouraging risk taking*

**Anchors:**

1. Willingly asks others how to improve something
2. Is enthusiastic toward ideas shared by others
3. Freely shares new ideas for change
4. Offers suggestions when others seek improvement

**COMPETENCY:** **KNOWS THE COMPETITION**

**Definition:** *Knows the products and services offered by the competition in order to position the organization's products and services as superior*

**Anchors:**

1. Demonstrates an understanding of who the competition is, including benefits and features
2. Shows knowledge of the products, services, pricing, and marketing efforts of competitors
3. Effectively brings in new business by asking probing questions about competitor products and services in order to educate the customer (client, member, patient) and discover differentiating factors
4. Demonstrates knowledge of promotional efforts made by competitive organizations and uses information to formulate a competitive offer

**COMPETENCY:** **DEMONSTRATES CROSS-FUNCTIONALITY**

**Definition:** *Is willing to apply his or her knowledge and skills to different jobs*

**Anchors:**

1. Demonstrates a willingness to learn job functions that are distinct from the original job responsibility

2. Volunteers to learn or perform different functions within the organization
3. Encourages others to learn different job functions within the organization
4. Participates in training other employees

**COMPETENCY:**  
*Definition:*

**IS DEPENDABLE**  
*Believes in and has the characteristics of unfailing reliability and trustworthiness*

**Anchor:**

1. Has a good attendance record
2. Is responsible in use of breaks and lunchtime, and is reliably punctual
3. Follows through on assignments given, gets the job done, and consistently meets expectations and deadlines
4. Avoids making and taking personal phone calls

**COMPETENCY:**  
*Definition:*

**DEMONSTRATES AND VALUES PRODUCTIVITY**

*Believes in contributing significant results in his or her performance through the efficient use of time*

**Anchor:**

1. Uses time-management skills to establish, organize, and prioritize activities
2. Meets established standards
3. Provides suggestions to improve the efficiency of performing job tasks
4. Produces measurable results

**COMPETENCY:**  
*Definition:*

**DEMONSTRATES INTEGRITY**

*Takes personal responsibility to protect the viability of the organization through statements and actions that are trustworthy, honest, and credible*

**Anchor:**

1. Demonstrates open, direct communication
2. Is viewed, and pursued, as a reliable source by others
3. Makes a commitment and follows through
4. Is trusted to do the right thing

**COMPETENCY:**  
*Definition:*

**IS A TEAM PLAYER**

*Demonstrates the belief that working with others, welcoming contributions from others, positively participating, and enjoying the resulting synergy will achieve the best results*

**Anchor:**

1. Does her or his fair share and carries own workload
2. Puts the team first and self second (consistently offers to help and shows a willingness to change for the greater good)
3. Actively participates in (or leads) group meetings and/or committees and gains consensus in decision making
4. Accepts constructive criticism

**COMPETENCY:**  
*Definition:*

**BUILDS ORGANIZATIONAL TRUST**

*Demonstrates pride in the organization and understands that his or her behavior is a reflection on the organization*

**Anchor:**

1. Keeps personal and organizational confidences when appropriate
2. Speaks only in professional terms about other employees
3. When evaluating others, gives feedback based on objective criteria in a timely, professional manner
4. Keeps others in organization informed of relevant data

**COMPETENCY:**  
*Definition:*

**DESIRES AND VALUES SERVING OTHERS**

*Compelled to assist others to improve knowledge and performance in any way possible*

**Anchor:**

1. Regularly shares and contributes expertise, knowledge, and information
2. Makes time available to assist others
3. Recognizes critical business or individual needs and responds with appropriate assistance in a timely manner
4. Helps others help themselves

**COMPETENCY:**  
*Definition:*

**KNOWS CUSTOMER/EMPLOYEE NEEDS**

*Can identify and discern external/internal customer/employee unique needs through utilizing appropriate resources and questions*

**Anchor:**

1. Listens carefully and comprehensively to external/internal customer/employee needs and clarifies them

2. Evaluates external/internal customer/employee needs and suggests products and services to meet them
3. Asks open-ended questions to uncover additional needs or information
4. Fulfills external/internal customer/employee needs by utilizing all available communication methods and internal/external resources, when appropriate

**COMPETENCY:** IS MOTIVATED BY SATISFYING EXTERNAL/INTERNAL CUSTOMER/EMPLOYEE

**Definition:** *Is driven by fulfilling and exceeding external/internal customer/employee needs and expectations*

**Anchors:**

1. Shows enthusiasm in serving the external/internal customer/employee
2. Analyzes external/internal customer/employee needs to recommend the best end result; digs for a creative solution
3. Provides resolution to external/internal customer/employee complaints in a professional and timely manner
4. Knows, understands, and applies the vision of the organization to his or her job

**COMPETENCY:** DEMONSTRATES SERVICE SKILLS TO EXTERNAL/INTERNAL CUSTOMER/EMPLOYEE

**Definition:** *Has the ability to exemplify consistent service standards set by the organization*

**Anchors:**

1. Performs established telephone etiquette and handles interruptions professionally
2. Follows the dress code
3. Delivers prompt, friendly, and courteous service to external/internal customer/employee
4. Successfully turns a problem or complaint into a positive outcome

**COMPETENCY:** DEMONSTRATES SALES SKILLS

**Definition:** *Has the ability to exemplify consistent sales practices as set by the organization*

**Anchors:**

1. Satisfactorily completes sales training program

2. Establishes good rapport with customers (clients, members, patient(s)) by greeting them, acknowledging them, and responding to their requests effectively
3. Uncovers customer (client, member, patient) needs and cross-sells appropriate services
4. Effectively asks for the business and closes the sale

**COMPETENCY:** DEMONSTRATES AND COACHES SERVICE SKILLS

**Definition:** *Has the ability to exemplify and coach consistent service standards set by the organization*

**Anchors:**

1. Coaches others to perform established telephone etiquette and handle interruptions professionally
2. Coaches others to follow the dress code
3. Coaches others to deliver prompt, friendly, and courteous service to internal/external customers (clients, members, patients)
4. Coaches others to successfully turn a problem or complaint into a positive outcome

**COMPETENCY:** KNOWS FACTORS IMPACTING THE ORGANIZATION'S INDUSTRY

**Definition:** *Has the ability to understand and interpret environmental factors and forecast their effect on the organization*

**Anchors:**

1. Demonstrates an understanding of the competition by product
2. Applies the impact of environmental trends to the plans of the organization
3. Researches and analyzes economic information that impacts the organization
4. Asks probing questions about competitor products and services, and discovers differentiating factors in order to educate the staff

**COMPETENCY:** VALUES THE SALES CULTURE

**Definition:** *Demonstrates an understanding of the importance of promoting the organization*

**Anchors:**

1. Is supportive of the organization's promotion initiatives
2. Is enthusiastic about promoting the organization

3. Offers positive suggestions and ideas that may improve promoting
4. Understands that her or his behavior outside the organization is a form of promoting

**COMPETENCY: DEMONSTRATES ADMINISTRATIVE SKILLS**

*Definition:* *Has the ability to perform multiple daily tasks through the use of appropriate or professionally driven resources, technological tools, and general academic knowledge*

**Anchors:**

1. Demonstrates proficiency and continual improvement in computer skills and online systems
2. Draws upon education, peers, external resources, and experience to perform job duties above and beyond established standards
3. Identifies, accesses, and uses resources to coordinate all aspects of the job
4. Uses time-management skills to establish priorities and meet deadlines

**COMPETENCY: DEMONSTRATES BASIC SYSTEMS SKILLS**

*Definition:* *Can understand, develop, and utilize systems to increase the effectiveness and efficiency of the organization*

**Anchors:**

1. Competent in the PC and software skills needed for the job
2. Competent in the in-house core data processing system needed for the job
3. Competent in use of office equipment needed for the job
4. Follows established operational processes

**COMPETENCY: KNOWS HOW TO DEVELOP**

**NEW PRODUCTS AND SERVICES**

*Definition:* *Has the ability to analyze, organize, and apply information necessary to create and engineer new products and services based on changing customer (client, member, patient) needs*

**Anchors:**

1. Demonstrates a knowledge of the competition and competitive factors

2. Gathers and quantifies requests and feedback to understand and recognize the needs of the customer (client, member, patient) or employees
3. Analyzes information and develops an implementation plan
4. Provides research through the use of a variety of resources

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